diar with

# **Chief Justice Blocks** Clinton on Lawyers

Grand Jury Calls a Top White House Attorney

By Brian Knowlton International Herald Tribune

WASHINGTON — The chief justice of the United States rejected Tuesday an urgent White House appeal in the Monica Lewinsky case, opening the door for prosecutors, only bours later, to ques-tion a top White House attorney about his advice to President Bill Clinton.

This was the latest in a series of serbacks for Mr. Clinton and victories for the independent coonsel, Kenneth Starr. Mr. Starr has been pressing to complete his investigation into the question of whether Mr. Clintoo lied about his relationship with Ms. Lewinsky and asked her to lie about it.

"There is some disappointment here about that decision," said Barry Toiv, a White House spokesman. "This is a very important principle that we will continue to pursue."

# Congo Rebels, Moving Fast, Boldly Replay Last Uprising

By Howard W. French New York Times Service

ABIDJAN, Ivory Coast - When rebellious troops seized control of the two largest cities in the far-eastern part of the Democratic Republic of the Congo oo Monday and announced their intention to overthrow Laurent Kabila, the president whose capital sits 1,450 kilometers to the west, many people in the Central African nation

had the impressioo that ANALYSIS they were reliving a well-rehearsed drama.

In fact, from the names of the eastern cities. Goma and Bukavu, that became initial flash points in the uprising, to the reported reinforcement of the rebels across Congo's eastern border with Rwanda, to the witch-bont against Rwandans unleashed by the government in Kinshasa, what they were witnessing was close to a replay of events two years ago that brought the downfall of the dictator Mobatu Sese Seko and Mr. Kabila's rise to power.

The most striking difference between now and 1996, perhaps, was that it took Mr. Kabila's rebel forces five months before they could evolve from an embarrassing cross-border rebellioo to with the seizure of the country's third largest city, Kisangani — a real threat to the Mobutu government.

This time, with the speed of the practiced, Congo's rebels, many of whom are members of the country's Tutsi minority and veterans of Mr. Kabila's own insurrection, wasted no time in mounting a heavy attack against Kisangani on Tuesday.

And in an even bolder move which uggested careful planning, Mr. Kabila's cabinet director, Abdoulaye Yerodia Ndombasi, said the rebels flew a hijacked passenger jet across the country to a military base in Kitona, in the far west, in an attempt to rally former troops from Marshal Mobutu's army who were being trained by Rwandan instructors.

Agence France-Presse quoted Justice Minister Mwenze Kongolo on Tuesday night as saying that fighting had broken out between government forces and armed troops from Goma for control of the Kitona base.

For those who backed it, from the neighboring patron states of Rwanda and Uganda to the besieged Tutsi minorities of eastern Congo - cousins of Rwanda's own ruling minority - to Mr. Kabila himself, a guerrilla leader plucked from obscurity to head the uprising, the seven-mooth rebellion against Marshal Mobutu was intended as a war to end all wars.

Uganda and Rwanda may have been surprised to see Marshal Mobutu's armies crumble so easy and Mr. Kabila march on to power, but at a minimum they intended to extend their influence into the Congo's vast eastern hinter-lands, ending their use as a staging ground for seemingly interminable re-bellions against their own governments.

Congo's Tutsi minority, known collectively as the Banyamnlenge, expected an end to attacks against them by other eastern groups that contested their

### See CONGO, Page 8

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# The White House had sought a stay, until the Supreme Court reconvenes in the fall, of an appeals court finding that White House lawyers could be compelled to testify before a grand jury and could not invoke attorney-client privilege to protect communications with the president.

Within hours of Chief Justice William Rehnquist's oral decision, the White House lawyer in question, Lanny Breuer, appeared before the grand jury

investigating Mr. Clinton.

Meanwhile, all parties awaited word of the results of an FBI laboratory analysis of a stain on a dress that Ms. Lewinsky turned over to investigators.

The tests, which might help establish whether she had sexual intercourse with Mr. Clinton, are thought to have been concluded, but the agency bas clamped exceptionally tight secrecy on the re-

sults.

Mr. Breuer, a former federal prosecutor from New York, has played a significant role in the White House's response to the investigation.

Along with the deputy counsel, Bruce Lindsey, a long-time confidant of Mr. Clinton's who is expected to be subpoenaed soon, Mr. Breuer has helped design the White House strategy for responding to subpoenae and has debriefed attorneys for some friendly witnesses after they testified before the grand jury.

grand jury.

Mr. Lindsey's appearance has been delayed because he is recovering from back surgery. Other members of the White House legal staff might also face

Ms. Lewinsky, 25, is expected to testify this month, following an agree-ment with Mr. Starr's office that gives her immunity.

Mr. Clinton side-stepped a subpoena, which might not have been constitutionally enforceable, by agreeing to testify from the White House on Aug. 17. Grand jurors will view that session live on closed-circuit television from the federal courthouse.

David Kendall, one of Mr. Clinton's private attorneys, came to the White



HUMAN TOLL IN THE ASIAN CRISIS - A girl, one of many, scavenging at a garbage dump in Jakarta as poverty increases.

House on Tuesday to help the president prepare for the questioning on Aug. 17. As a private attorney, Mr. Kendall enjoys uncontested attorney-clieot privilege with Mr. Clioton.

Mr. Toiv, the White House spokesman, insisted that Mr. Clintoo's testimony would not vary from his repeated insistences that he did not have a sexual relationship with Ms. Lewinsky and did

'The president has told the truth about this, and he will continue to do so," Mr. Toiv said. "I have no reason to think that has changed in any way."

Both Democrats and Republicans have said recently that if Mr. Clinton made a clear statement about his relationship with Ms. Lewinsky and apologized for any errors he might have

See CLINTON, Page 8

# U.S. Stocks Plunge As Asian Crisis Rattles Wall Street

Dow Loses Nearly 300 Points In Biggest Fall Since October

By Mitchell Martin

NEW YORK - U.S. stock prices tumbled for the third consecutive session on Tuesday, falling 3.4 percent, deessed by worries about the health of the American economy in light of the

Asian financial crises.
The Dow closed 299.43 points lower, its third biggest point loss ever, at 8,487.31. At that level, the Dow was 9 percent off from its record.

The plunge, the steepest drop since Oct. 27, when the average fell 554.26, or 7.2 percent, wiped out most of summer gains and shook market confidence.

Yet despite the retreat from market records that saw the Dow Jones industrial average peak at 9,337.97 on July 17, analysts said conditions for a reversal of the bull market were not in place.

The broader Standard & Poor's 500stock index fell 3.6 percent from Monday, closing down 40.29 points at 1.072.15. The Nasdaq composite index plunged 65.42 points to 1.785.68.

"It looks terrible right now; there's

selling coming out of everywhere," said John Manley, equity strategist at Salomon Smith Barney Inc. "There's a million reasons to be out of stocks, and

not a lot to be in them."

On the other hand, Mr. Manley added, "Over the course of the last five years, we've seen close to half a dozen 5 to 10 percent corrections in the market, none of which came to more than a buying opportunity."
Tuesday's decline was brought about

"three negative factors overhanging the stock market," said Anthony Dwyer, chief market strategist at Laden-

Tuesday # 4 P.M. 145.595 5.9815 5.9525 Pound 1.637 - 299.43 8,487.31 - 40.32 --- 3.62% 1,072.12

There is unease over the investigations of President Bill Clinton, fears that the deflationary pressures emanating from Asia could halt the U.S. economy? growth and concerns that corporate

profits will fail to meet expectations. Mr. Clinton's problems should be 'totally irrelevant' to investors, Mr. Dwyer said, adding that "the reality is that Alan Greenspan runs the country" as chairman of the Federal Reserve Board.

More legitimate concerns are that companies' earnings do not support the high prices of their shares and the fears that the financial crises in Asia would spread, which were exacerbated this week by mixed messages from Tokyo on its policy on the yen. (Page 11)
These factors, however, are insuf-

See MARKET, Page 13

# Switched at Birth, 2 Toddlers Stalked by Tragedy

By Justin Blum and Michael D. Shear Washington Post Service

CHARLOTTESVILLE, Virginia - It began court, saying he was not paying enough child support for their 3-year-old daughter.

A judge ordered a paternity test; and when the results showed that the man was not the child's father, toddlers.

Ms. Johnson underwent genetic testing herself.
The results were shocking: Callie Marie, the blonde. blue-eyed child Ms. Johnson has been raising with two other children, is not her biological daughter.

That was the genesis of a mystery that has now when Paula Johnson, a single mother living just north turned to something of an unfinished Greek tragedy. It involves two toddlers, two extended families, a hospital that sent the baby girls home with the wrong mothers and, only last month, a high-speed car accident that took the lives of the parents of one of the

One day after Paula Johnson learned that Callie Marie was not her biological daughter, the couple who had been raising the switched baby, 3-year-old Rebeeca Chase Chittum, died in a July 4 head-on collision along with five others, including two relatives,

Three weeks later, a doctor and nurse from the University of Virginia visited the surviving relatives to tell the family that Rebecca was not the dead couple's child after all.

See BABIES, Page 8

# War and Death in Kosovo: Confusion Over Response



EXHUMATION - Bosnian Croats watching Tuesday as investigators opened a mass grave in Humac, in central Bosnia, of victims who were killed in 1993. As a refugee crisis worsened in Kosovo, the White House accused the Serbian leader of violating a vow to allow aid. Page 8.

By R. Jeffrey Smith

STIMLIE, Yugoslavia - A group of Serbian police officers had just skittered down a hillside from a brightly burning house south of here when several reporters approached them.

Why was the bouse aflame? Because it is wood," one of the policemen said after a long pause. How did the fire start?

"I don't know; they must have been smoking," he added with a grin.

As scores of ethnic Albanian towns burned Monday on the 11th day of a ANALYSIS huge assault by Yugoslav Army and Interior Ministry troops in Kosovo province, the government has adopted the policeman's approach to dealing with repeated Western calls to half the offensive and negotiate a peaceful settlement to tocal separatist demands.

Officials consistently say the artillery, mortar and machine-gun fire that has destroyed more than 100 villages, killed hundreds of civilians and pushed more than 200,000 others from their homes was provoked by "terrorists" with the Kosovo Liberation Army, a separatist ethnic Albanian force. This strategy of blaming the other guy, an approach

that the Yugoslav government honed during the 1992-1995 war in Bosnia, has worked perfectly during the last two weeks in Kosovo — a province of Serbia.

Despite ferocious attacks by Yugoslav Army troops against Kosovo's ethnic Albanian majority — something that Western officials once said would provoke an angry response — capitals from Washington to Paris to Moscow have been quiet recently. A

See KOSOVO, Page 8

### AGENDA

# Reno Bars Memos On Fund-Raising

WASHINGTON (AP) - Attorney General Janet Reno said Tuesday that she was considering with an calls from two o deputies for an independent counsel to investigate campaign fund-raising but that she would not turn their memos over to lawmakers. The authors of the memos, the

FBI director, Louis Freeh, and one of Ms. Reno's top investigators. both told a House committee Tuesday that the memos should be kept secret because they contain investigators' strategy that could tip off defendants in the inquiry into 1996 fund-raising. The committee subpoenaed the memos.

Mr. Frech told the House com-

mittee that the investigation involves "a core group of individuals who in my view are indisputably covered persons" under the law. Mr. Freeh was asked if these individuals included the president

or vice president "Yes sir," Mr. Freeh responded.

### Havel's Life Saved In a Medical Crisis

President Vaclav Havel of the Czech Republic underwent emergency cardiac electroshock therapy to save his life Tuesday after his pulse rose to 200 beats a minute, doctors said.

Dr. Boris Stastny said the 61year-old leader had been "in danger of dying for half an hour" during the treatment early Tuesday. Page 5.

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# Chief UN Weapons Inspector Leaves Iraq After Talks Collapse Again

BAGHDAD - The chief United Nations weapons inspector, Richard Butler, left Baghdad on Tuesday after the collapse of talks with Iraq on dismantling the country's weapons of mass de-

Mr. Butler said Deputy Prime Minister Tario Aziz had demanded that Iraq be given a clean bill of bealth on its weaponry.

"I told him that I cannot fulfill your demand because I don't have the evidence," Mr. Butler said after flying to Bahrain. "After I said that to him, Aziz replied, 'Then we can't talk any further."

President Saddam Hussein, meanwhile, approved a "series of measures" aimed at shaking off UN sanctions, the Iraqi press agency INA reported.

The decision was taken at an emergency meeting Tuesday of the powerful Revolutionary Command Council and the ruling Ba'ath Party, of which Mr. Saddam is chairman. "The meeting adopted a series of measures that will be announced soon," the agency reported, without saying what those steps were likely to be. It also said a national debate on confronting the sanctions would

begin immediately. The White House called the breakdown of the

talks disturbing but not surprising.

A White House spokesman, P.J. Crowley, said all options, including a military one, remained "absolutely" open, but he cautioned against jump-

ing to conclusions. "We've had this lack of cooperation for basically seven years," Mr. Crowley said. "This is something we've encountered before. Let's not raise the temperature until we get a full report from Chairman Butler.

The official Iraqi news agency quoted Mr. But-ler as saying that the UN Security Council would have to decide what to do next.

"It is imperative not to overdramatize the situation," Mr. Butler was quoted as saying. "I will refrain from using the word crisis," Mr. Butler, who heads the UN Special Commission charged with verifying that Iraq has destroyed its weapons of mass destruction, said he would go to New York to report to the Security Council.

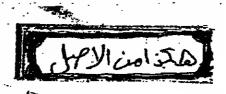
Earlier this year, the United States and Britain sent warships to the Gulf after Iraq refused to open presidential sites to UN inspectors. That crisis was defused in February by Kofi Annan, the UN sec-

### ■ Iraqi Intransigence Could Cause Tension

Earlier, Barbara Crossette of The New York Times reported from New York:

Danilo Turk, the Slovenian delegate to the Security Council and its current president, said that Mr. Butler would brief the council by Wednesday. UN officials in New York and in Baghdad said

See IRAQ, Page 8



# Beating the Odds (and the Frauds) With the Number 1

By Malcolm W. Browne New York Times Service

EW YORK -- Theodore Hill asks his mathematics students at the Georgia Institute of Technology to go home and either flip a coin 200 times and record the results or merely pretend to flip a coin and fake 200 results. The following day he runs his eye over the homework data, and to the students' amazement, he easily fingers nearly all those who faked their

"The truth is." he said in an interview, "most people don't know the real odds of such an exercise, so they can't fake data convincingly.

There is more to this than a

Mr. Hill is one of a growing number of statisticians, accountants and mathematicians who are convinced that an astonishing mathematical theorem known as Benford's Law is a powerful and relatively simple tool for pointing suspicion at frauds, embezzlers, tax evaders, sloppy accountants and even computer bugs.

The income tax agencies of several nations and several states, including California, are using detection soft-ware based on Benford's Law, as are a score of large companies and accounting businesses.

Benford's Law is named for the late Frank Benford, a physicist at the General Electric Co. In 1938 he noticed that pages of logarithms corresponding to numbers starting with the numeral 1 were much dirtier and more wom than other pages.

(A logarithm is an exponent, Any number can be expressed as the fractional exponent — the logarithm — of some base number, such as 10. Published tables permit users to look up logarithms corresponding to numbers or numbers corresponding to logar-

Logarithm tables (and the slide rules derived from them) are not much used for routine calculating any more: electronic calculators and computers are simpler and faster. But logarithms remain important in many scientific and technical applications, and they were a key element in Mr. Benford's

Mr. Benford concluded that it was unlikely that physicists and engineers had some special preference for logarithms starting with I.

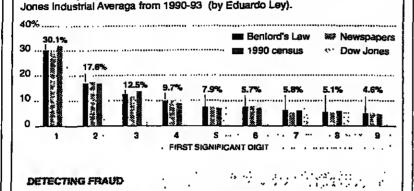
He therefore embarked on a mathematical analysis of 20,229 sets of numbers, including such wildly dis-

### A Singular Phenomenon

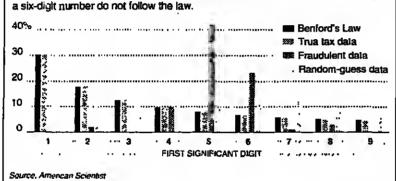
Frank Benjord's 1938 thaorem daaling with the prevelence of the numbar 1 as an initial digit is being used to spot fraud.

AN UNEXPECTED PATTERN

Vary different sets of data follow Benford's Law within 2 percent, Including numbers appearing on front pages of newspapers (collected by Mr. Benford), 3,141 county populations in the 1990 census (by Mr. Mark Nigrini) and the Dow



The first digits of true tax data taken from the lines of 169,662 tax forms follow Benford's Law closaly. But fraudulent data taken from a 1995 Brooklyn study of cash disbursement and payroll in businass do not follow Benford's Law, Likewise, data taken from 743 freshmen's responses to a request to write down randomly



magazine articles and the street addresses of the first 342 people listed in the book "American Men of Sci-All these seemingly unrelated sets of numbers followed the same first-

haseball statistics, numbers in

digit probability pattern as the wom pages of logarithm tables suggested. In all cases, the number 1 turned up as the first digit about 30 percent of the time, more often than any other.

Mr. Benford derived a formula to explain this. If absolute certainty is defined as 1 and absolute impossibility as 0, then the probability of any number "d" from 1 through 9 being the first digit is log to the base 10 of

(I+I/d). This formula predicts the frequencies of numbers found in many categories of statistics.

Probability predictions are often surprising. In the case of the cointossing experiment, Mr. Hill wrote in the current issue of the magazine American Scientist, a "quite involved calculation" revealed a surprising probability. It showed, he said, that the overwhelming odds are that at some point in a series of 200 tosses, either heads or tails will come up six

or more times in a row. Most fakers do not know this and avoid guessing long runs of heads or tails, which they mistakenly believe to be improbable. At just a glance, Mr.

Hill can see whether a student's 200 coin-toss results contain a run of six heads or tails; if they do not, the student is branded a fake.

Even more astonishing are the effects of Benford's Law on number sequences. Intuitively, most people assume that in a string of numbers sampled randomly from some body of data, the first nonzero digit could be any number from 1 through 9. All nine numbers would be regarded as equally

probable. But as Mr. Benford discovered, in a huge assortment of number sequences — random samples from a day's stock quotations, a tournament's tennis scores, the numbers on the front page of The New York Times, the populations of towns, elec-tricity bills in the Solomon Islands, the molecular weights of compounds, the half-lives of radioactive atoms and much more - this is not so.

Given a string of at least four num-bers sampled from one or more of these sets of data, the chance that the first digit will be 1 is not one in nine, as many people would imagine; according to Benford's Law, it is 30.1 percent, or nearly one in three. The chance that the first number in the string will be 2 is only 17.6 percent. and the probabilities that successive numbers will be the first digit decline smoothly up to 9, which has only a 4.6 percent chance.

A strange feature of these probabilities is that they are "scale invariant" and "hase invariant." For example, it does not matter whether the numbers are based on the dollar prices of stocks or their prices in yen or marks, nor does it matter if the numbers are in terms of stocks per dollar, provided there are enough numbers in the sample, the first digit of the sequence is more likely to be 1 than any other.

The larger and more varied the sampling of numbers from different data sets, mathematicians have found, the more closely the distribution of numbers approaches what Benford's Law predicted.

One of the experts putting this dis-covery to practical use is Mark Nigrini, an accounting consultant affiliated with the University of Kansas who this month is joining the faculty of Southern Methodist University in

Mr. Nigrini gained recognition a few years ago hy applying a system he devised based on Benford's Law to some frand cases in Brooklyn, New York. The idea underlying his system that if the numbers

like a tax return more or less match the frequencies and ratios predicted by Benford's Law, the data are probably

But if a graph of such numbers is markedly different from the one predicted by Benford's Law, he said, "I think I'd call someone in for a detailed

Some of the tests based on Benford's Law are so complex that they require a compoter to carry out. Others are surprisingly simple; just finding too few ones and too many sixes in a sequence of data to be consistent with Benford's Law is sometimes enough to arouse suspicion of fraud.

Robert Burton, the chief financial investigator for the Brooklyn district attorney, recalled in an interview that he had read an article by Mr. Nigrini that fascinated him.

"He had done his Ph.D. dissertation on the potential use of Ben-ford's Law to detect tax evasion, and I got in touch with him in what turned out to be a manually beneficial re-lationship," Mr. Burton said. "Our office had handled seven cases of admitted fraud, and we used them as a test of Nigrini's computer program. It correctly spotted all seven cases as involving probable fraud."

UT the fit of number sets with Benford's Law is not infallible. "You can't use it to improve your chances in a lottery," Mr. Nigrini said. "In a lottery someone simply pulls a series of balls out of a jar, or something like that. The bails are not really numbers; they are labeled with numbers, but they could just as easily be labeled with the names of animals. The numbers they represent are uniformly distributed, every number has an equal chance, and Benford's Law does not apply to uniform distributions."

Another problem Mr. Nigrini acknowledges is that some of his tests may turn up too many false positives. Various anomalies having nothing to do with fraud can appear for innocent

For example, the double digit 24 often turns up in analyses of corporate accounting, hiasing the data, causing it to diverge from Benford's Law patterns and sometimes arousing suspi-cion wrongly, Mr. Nigrini said.

"But the cause is not real fraud, just a little shaving," he said. "People who travel on business often have to submit receipts for any meal costing \$25 or more, so they put in lots of claims for \$24.90, just under the limit,

# Flood Toll **Up to 1,288** As Levees Fail in China

BEIJING — Waterlogged levees along China's flood-swollen Yangtze River have started to collapse, wreaking death and destruction on a massive scale, state media said Tuesday.

Torrential rains in sonthwest Sichuan Province also have triggered flooding that killed at least 20 people, pnshing the known death toll from floods caused by unusually heavy — and early — summer rains this year to 1,288.

With a tropical storm and another flood tide expected, the threat mounted of further breaches along the already weakened levees that protect millions of people and rich farmland from the

Yangtze, the world's third-longest river.

Main Yangtze dikes remained intact hut secondary levees were breached in at least two counties and at a city in central Hubei Province, "causing huge loss of life and property," the official China Youth Daily reported.

The newspaper gave no casualty figures. But a human rights group said 150 soldlers and hundreds of villagers were swept away when a levee suddenly collapsed Saturday in Hubei's Jiayu County, about 70 kilometers (43 miles) npriver from the industrial center of

As of Monday, the bodies of nine soldiers had been recovered, the In-formation Center of Human Rights and Democratic Movement in China said.
The Hong Kong-based group said more than 1,000 were thought missing.

The official newspaper Yangcheng Evening News said about 400 soldiers were swept away when the levee that had been protecting 56,000 people in two towns collapsed. Soldiers and po-lice pulled nearly 20,000 people from the water, the newspaper said.

In a hid to lower the Yangtze's waters, Hubei authorities cut 11 small dikes to divert flood waters, the official Xinhua news agency said. The strategy caused 400 million yuan (\$48 million) in flood damage but helped protect Wuhan city, it said.

More than 100,000 people lost their homes when a levee hurst in Anxiang, in neighboring Hunan Province, on July 24, Xinhua reported.

In all, the Yangtze was threatening to

hurst its embankments in 3,200 places, and 1,800 of these possible breaches were "major," Xinhua said.

Millions of soldiers and civilians for signs of collapse and plugging leaks, as waters on the Yangtze reached levels unseen since floods in 1954 killed more

than 30,000 people.

Typhoon Otto, which was raging in the Taiwan Strait on Tuesday night, was expected to hit the coast of the eastern province of Fujian on Wednesday, bringing with it torrential rains, the state

meteorological office said.
'The storm should move northward to Jiangxi and Anhui provinces, putting heavy pressure on flood-affected areas along the middle and lower reaches of the Yangtze, experts were quoted as -(AP. AFP)

### Flooding in Central Japan

Fierce floods fed by the heaviest rain in a century swept across central Japan on Tuesday, killing one woman, bursting dikes, triggering landslides and forcing thousands to evacuate, Agence

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A man using a garden hose Tuesday to protect his home near Athens.

# TRAVEL UPDATE

### Forest Fire Hits Greek Village

ATHENS (Reuters)— A huge forest fire engulfed a village near Athens on Tuesday, destroying at least 20 homes, and threatened several other holiday communities, police said. No injuries have been reported in the hlaze, which a local

mayor bas hlamed on arsonists. Flames were racing through the village of Anthoussa, about 25 kilometers (15 miles) northeast of Athens at the foot of Mount Pendeli and were lapping at the outskirts of the coastal resort of Lagonissi. The fire was also burning a summer camp for disabled children and threatening a state hospital. They had been

evacuated, along with a monastery. More than 600 firemen have been battling the blaze, which has razed thousands of Greece has been plagued by scores of forest fires this

summer including several around the capital. Three firemen and a volunteer were burned to death last month.

# St. Peter's Square Gets a Facelift

VATICAN CITY (Reuters) — Workers began cleaning the elegant colonnades around St. Peter's Square on Tuesday to prepare for Holy Year 2000, the celebration Pope John Paul has ordained to herald the start of the third millennium.

Workers from Kaercher, a German company that has cleaned the statue of Christ the Redeemer in Rio de Janeiro and the Statue of Liberty in New York will finish cleaning the

and the Statue of Liberty in New York, will finish cleaning the 284 columns by the end of October. Finnair has agreed to expand its cooperation with Belgian carrier Sabena hy sharing flight numbers and linking fre-

Iran Air plans to hire Japanese flight attendants to better serve Japanese tourists. Iran has also eased Islamic regcing thousands to evacuate, Agent regions in Kight a tourist island in the Gulf. (AFP) France-Presse reported from Tokyo.

WEATHER

Forecast for Thursday through Saturday, as provided by AccuWeather.

# Heat Wave Causes Havoc Across East Europe

20 lives in Romania, huckled streetcar tracks in Hungary and smashed temperature records across the region.

Temperatures soared past gion, which is having its worst sunstroke or had fainted.

heat wave in half a century. In BUCHAREST — Eastern Bucharest, which has had tem-Europe is suffering from a peratures of at least 36 degrees three-week-old heat wave that centigrade every day since the day to avoid any heat-telated has reportedly claimed at least first half of July, about 2,500 day to avoid any heat-telated accidents, and has urged othpeople have called the cap-ital's emergency services in the past four days, and 15 ambulances are on heat patrol.

Hospitals in the city of 3 40 degrees centigrade (104 de- million said that they were grees Fahrenheit) on Tuesday crowded with people who had in the southern Balkans re- suffered strokes, heart attacks.

Have you been to THE INTERMARKET today?

Don't miss it. A lot happens there.

The mayor of Bucharest, degrees centigrade in the Viorel Lis, is sending the city hall staff home at lunch every and Kherson. Attila Nadrai, head of Hun-

er employers to do the same. In Belgrade, several dozen people fainted on the hot sidewalks Monday on the hottest Aug. 3 in 111 years: 39 deweek was for more heat.

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grees centigrade. Croatia's beaches were not offering much relief from the record-breaking heat: The Adriatic Sea was 26 to 28

degrees centigrade. In Budapest, public pools have standing room only and a streetcar line suspended op-erations Monday when the

southern cities of Mykolayiv

gary's National Meteorological Service, said a cool front was expected Wednesday, but the forecast for the region next

■ 26 Drown in Turkey

A total of twenty-six people drowned in Turkey at the weekend as they bathed in rivers and the sea to cool off in a heat wave, the Anatolia press agency reported Tuesday, according to Agence France-Presse in Ankara

At least 45 people have tracks on one stretch buckled. died as a heat wave baked Ukraine, which usually has central, southern and western mild summer weather, was areas of the country over the hit with record highs of 40 past two weeks.

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North America A few showers and thun-derstorms across the Mid-Europe North America

A few showers and thunderstorms across the Madwest and the northern 
Plains Thursday and Finday, then perhaps drying 
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THE AMERICAS

House Votes to Outlaw Solid in the Senate Is Uncertain

But Outlook for Campaign Finance Bill in the Senate Is Uncertain

By Alison Mitchell while only 11 Democrats bucked their party to vote against it.

"As members of the House, you get an opportunity very few times in your to make a historic vote," Mr.

"As upport for the legislation:

As upport for the legislation:

"As a majority, cheers and as the majority, cheers and as the majority in the majority is the majority in the majority in the majority in the majority in the legislation in the cavernous House chamber star in

that would overhanl the way America's political campaigns are financed.

The relatively strong 237-186 showing Monday night for the measure, sponsored by Representatives Christopher Shays, a Connecticut Republican and Martin Machan a Massachan can, and Martin Meehan, a Massachnsetts Democrat, makes it likely that it will be the one to prevail against several competing proposals still to be con-

Fifty-one Republicans broke with

Solarz's Testimony

On India Criticized

WASHINGTON - When former

Representative Stephen Solarz test-

ified before the Senate Foreign Re-lations Committee in May on India's

recent nuclear weapons tests, he made

a number of strong arguments that, instead of punishing India with sanc-

tions, the United States should wel-

come that nation into the world's official club of nuclear powers.

At the time, he and his lobbying

Several weeks later, APCO and the

firm, APCO Associates Inc., were

actively bidding to represent the gov-

law firm of Verner, Lipfert,

Bernhard, McPherson & Hand signed

contracts to help improve India's im-

age in Washington, according to re-cently released disclosure forms.

dian Embassy's counselor for press information, APCO and other firms

had begun bidding on the new lob-

bying contracts several weeks before

Mr. Solarz, a New York Democrat,

India," Mr. Sinha said: "If you look at his testimony over the past 10 years, I think be's been very con-

Bnt the legislative director of Com-mon Cause, Meredith McGehee, said

that Mr. Solarz should have revealed

his connections with India before ad-

the American public, who has no chie

about what's going on here," Ms.

"People that either have business

or are seeking business with interests

involved in the hearing should put that in the public record."

The real loser in this situation is

vising the committee.

"He is a very well-known friend of

According to Amar Sinha, the In-

ernment of India in Washington.

POLITICAL N

their party leadership to support the bill, while only I1 Democrats bucked their in the cavernous House chamber staring

The Shays-Mechan legislation would effectively ban unlimited, unregulated donations to the political parties - or soft mooey." If was soft money that led to the abuses in the 1996 presidential

The bill would also curb issue advocacy commercials by outside groups in the 60-day period before an elec-

Uncertain of the outcome, even as the vote began. House members - includ-

Mr. Solarz was away on business in

Uzbekistan and unavailable for com-

At Kennedy School

CAMBRIDGE, Massachusetts -

David Gergen, the political pundit and former presidential adviser, will

join the faculty of Harvard Univer-sity's John F. Kennedy School of

Government as a professor of public

service, the university said.

Mr. Gergen, 56, a former fellow at
the Kennedy School's Institute of

Politics, has served as an adviser to four presidents, including Ronald Re-

Beginning in the spring, Mr. Gergen will teach graduate courses in presidential leadership and commu-

Senator Joseph Lieberman, Demo-crat of Connecticut, discussing the

allegations against President Bill Clinton oo CNN on Sunday: "This

episode is sorry, and it is sordid, and it

has brought down not only our gov-

ernment and the head of our gov-

ernment, but the whole country.... I

mean, the very fact that I have not been able to automatically let my

young daughter sit with me and watch

the news any more tells you what has

happened here. And, honestly, we

don't know yet wbether we - about

this degradation of our process and

our culture to some extent - we

should blame the president, Ms. Lew-

insky, Ms. Tripp, Judge Starr, or the media, or all of them to some extent.

But the fact is, it's had an effect, and

ington divorce lawyer, San- of the currency of life.

it's not a good one."

**Quote/Unquote** 

agan and Bill Clinton.

Gergen to Teach

up at the large electronic board that shows each vote as it is cast. Mr. Gingrich, who usually does not vote, this As support for the legislation surged

past a majority, cheers and applause erupted on the Democratic side of the To get to Monday night's vote, the

bill's sponsors had to surmount months of challenges as the Republican leadership first tried to block the legislation from the floor and then tried to subject it to scores of amendments designed to fracture the bill's coalition.

Despite the House's endorsement of the legislation, the Senate is considered onlikely to take op campaign finance legislation before it recesses in Octo-

Recapitulating weeks of late-night debate, the House one more time Monday clashed over whether the bill's limit on political fund-raising would restore integrity to a political process drowning in special interest money or whether it would limit free speech and alter the balance of power between the political

Trying to prevent any last-minute Democratic defections, the two senior Democratic leaders of the House took part in the closing debate to make impassioned pleas for the legislation.

"There is a national crisis of confidence in our system of campaign fi-nancing," said Representative Dick Gephardt of Missouri, the minority

"It is a crisis of confidence that cuts across party lines and should disturb all of us as Democrats, as Republicans, as Americans," Mr. Gephardt said.

Several Republicans argued that their party - which bas had a traditional fund-raising advantage — would be burt because the measure does oot prevent organized labor, which generally backs Democrats, from devoting union

dues to political campaigns.

"To my Republican colleagues, let me just simply say this is not reform," said Representative Tom DeLay of

Texas, the majority whip.
"This is not good government," be said, "This is political disarmament. It does nothing to protect union members from forced union dies while putting shackles on our traditional supporters. He accused some Republicans of voting for the measure simply because they thought the Senate would be sure to kill

The bipartisan coalition backing the Shays-Meehan bill countered by turn-ing to a conservative member of the rebellions Republican class of 1994 to make their closing argument,
"Vote yes on this bill," implored

Representative Zacb Wamp of Tennessee. "It's the moment of truth. The truth is this bill is as fair to Republicans as



first day of the implementation of Proposition 227. She had to explain, in Spanish, the word "giggle."

# California Bilingual Experiment Ends

Amid Confusion and Defiance, Schools Begin Switch to All-English

By William Booth Washington Post Service

LOS ANGELES - The weeping social experiment has officially ended in the state where it began. Confusion reigned in many California school districts and defiance in others as teachers struggled to switch from Korean, Armenian and Spanish to all-English, all the time, often without the help of textbooks or lesson plans.

In Oakland and San Francisco, where schools do not Angeles. open for another few weeks, In M officials were still bolding out against. implementation of Proposition 227, the voter ini-tiative that passed with overwbelming support on June 2. The initiative, sponsored by a Silicon Valley software en-trepreneur, Ron Unz, replaced hilingual education with a year of English language immersion. Except in charter schools, students are then to be pushed into main-

stream all-English classes. The end of bilingual edu-

largest state in the union and little Madeline: the one with the largest imclosely watched by other states also facing influxes of straight lines." known as bilingual education immigrant children. Reflecting resentment over the derstood almost every word

> The end of But in the meantime. the change began Monin California is day in Los

troduced in

In Maria Elena Crabb's first day with ber new second-

grade class at Alexandria Avenue Element- day at 50 year-round schools, ary School here, students who most exclusively in Spanisb found their teacher introduand white uniforms, sat squirming on the floor at ber feet, Mrs. Crabb began read-

are becoming a more frequent

Macdonald, an attorney, said.

the bundreds of thousands of

miles carned by the father

could be transferred only to

the surviving spouse. But un-

der Virginia law the children

were entitled to two-thirds of

their father's assets. Deter-

mined to get all that rightfully

belonged to them, "they got

down to the nitty-gritty and

fought over every penny," in-

Even so, the airline would

not relent, Ms. Macdonald

said, and the wife ended up

cluding the miles.

with all the miles.

Under the airline's policy

Mr. Petersen said.

dren

migrant population, is being that was covered with vines, lived 12 little girls in two

spreading challenge, a bill (vine was a tough one), and curtailing funding for bilin- waved their hands in the air to gual education has been in- answer questions. But others drawn. "You bilingual education

asked Mrs.

Crabh being watched by 'Total other states with an blanks. Los In Angeles, where a new immigrants. semester

started Monthe district is replacing hipreviously were taught al- lingual education with two alternatives. In the first, stucing herself in English. As the in English. Under the second, children, in their new blue students, such as Mrs. Crabb's second-graders, are also taught mostly in English, but their teachers are allowed cation in California, the ing from the storybook about to occasionally explain con-

epts and words in Spanish. How much Spanish? Nobody knows," said

Frequent-Flier Miles a New Issue on Divorce Battleground the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. In the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. In the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. In the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. In the Alexandria principal, Carol Labrow. "As they've explained it to us, before we had a full cup of Spanish. is a precious resource and I'm adherence to a court order. telling my teachers oot to Frequent-flier miles also waste it

But Ms. Labrow promised issue in inheritance disputes, punished for speaking their primary languages. "I'm not going to have a bunch of But with the passage of In Virginia, several children vigorously fought to keep their father's second kindergarteners out on the Proposition 227, schools had wife from inheriting all of his frequent-flier miles, Rhonda

do in Spanisb," she said. The termination of bilinbitter feelings among many of with- to all-English classes after several years. Many bilingual activists have charged that Proposition 227 was racist

> and anti-immigrant. But opponents of bilingual education describe it as a failed experiment that became bogged down, where students spent years learning Spanisb and not English, the language immigrant children most need

> In California, only 7 perof bilingual students made that elusive "transi-

tion" each year. Waldemar Rojas, the San Francisco superintendent, has said he plans to continue offering bilingual education, as the school district is still under a federal court order dating from the 1970s. That order, the so-called

Lan decision, began the bilingual age by guaranteeing Now we bave a quarter cup. It not an act of defiance, but

Over the last 20 years, California educators created an elaborate bureaucracy for that no students would be teaching students whose

playground crying because only 60 days to come up with

### was out of my mind" for raisthe motual funds — it's also Increasingly, frequent-flier

By Caroline E. Mayer

Washington Post Service

not just the house, the cars or

WASHINGTON - It's

**Away From Politics**  A serial killer has been preying on New York City's pigeons, dosing bird food with pesticide so lethal that some victims die before they are even finished swallowing. Authorities said the poisonings could affect larger birds and even humans. Bird food or bread crumbs laced with a highly toxic pesticide called carbofuran have been left

33 Run out

34 Cuts off

36 Provide with a

37 Breaks up, in a

as Alley

and sparrows, have died.

ACROSS

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raised," Mr. Ain said. Diing the issue. But now, when an estimated 57 million vorce lawyers say this is a miles are becoming an issue Americans add another 400 growing trend they have no-

heritance disputes.

A decade ago, said a Wasb-

ford Ain, a judge "thought I

statistician received \$10,000 to write a sharply criticized the government's evletter to the Journal of the American idence and said that his clientwas a Medical Association. A former gov- prisoner of war during World War II ernment bealth official got \$6,000 for a who had never lied to the American letter to the Wall Street Journal. In all, authorities. 13 scientists were paid more than around Manhattan, investigators said. \$156,000 for their letters and The FBI says guns and a spy book manuscripts, the records show. (AP) More than 60 hirds, mostly pigeons

• The tobacco industry paid more than a dozen scientists to write letters ing about his past as a Nazi war crimital police officers.

job, earning hundreds of thousands of miles. His wife, discrediting a 1993 federal report that inal to enter the United States more than linked secondhand smoke to lung can-cer, the Saint Paul Pioneer Press rein Manhattan to revoke his citizenship, ported. According to documents re- the first step to his deportation. A lawleased in Minnesota's tobacco trial and yer for the man, Jack Reimer, a former reviewed by the newspaper, one bio-potato chip salesman and restaurateur.

in divorce settlements and in- billion miles to their frequent- ticed in the last few years.

flier accounts every year,

these miles bave become part

In many family disputes,

the flier miles are "routinely

are among items that agents found at the mountain cabin near Helena. • The Justice Department accused a Montana, of Russell Weston Jr., the

June Harden, who now uses der or permit one spouse to Consider the case of a Conher maiden name, said she award free tickets to another. necticut couple who divorced "felt entitled to get half. I after 29 years of marriage. John Rod Calarco was a don't have a business where I travel," said Ms. Harden, broadcasting executive who who is a dental bygienist. Late last year, a judge agreed, giving her 200,000 of the 400,000 miles as well as traveled extensively for his

the \$480,000 house, half of her former busband's accrued pension and a quarter of his employee investment fund. Mr. Calarco said he did not

have a problem giving his former wife the miles. But he said: "Do I think she earned the miles? Was she the one who sat on the airplanes and ran through the airports all over the world? No.

A Connecticut judge also awarded Allison Gallagher 50,000 miles, 25 percent of her husband's frequent-flier miles, in her 1996 Connecticut divorce.

Compared with the thousands of dollars she and her husband were disputing in divvying up the home, cars and pension funds, "it was an extremely minor issue," said Ms. Gallagher, whose former hushand declined to comment Still, she said, "you ask for a little bit of everything' in a divorce.

The frequent-flier guru Randy Petersen calculates that 57 million Americans are members of frequent-flier clubs; each year these programs grow by a net of 400

In all, airlines now are liable for "close to 3 trillion miles," said Mr. Petersen, editor of the publication Inside Flyer. Not all of these miles are redeemed and many expire after a set time period.

In some cases there are so many miles involved. 'people could go to the moon and back," a New York divorce lawyer, Raoul Felder, said. "So naturally, in cases where everything is a battleground," frequent-flier miles become as contentious an issue as who gets the season basketball tickets or the fam-

ily silver, he said. Most airlines are reluctant to transfer miles from one person to another in divorce cases, saying it violates company policy. Still, many say they will abide by a court orno one will tell them what to a new way to teach.

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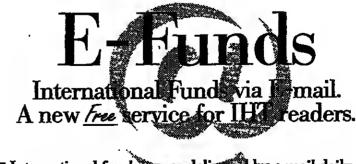
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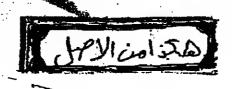
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THE WORLD'S DAILY NEWSPAPER



### ASIA/PACIFIC

# Malaysia's Leader Fires Hot Words at Singapore

# Ties Strained Over Water and a Checkpoint

By Thomas Fuller International Herald Tribune

KUALA LUMPUR—Relations between Singapore and Malaysia — rocky during the best of times -hit a new low Tuesday as disputes over water supply to the island republic and a railway border checkpoint came to a boil.

"Malaysia is not a nation that likes to create problems for others," Prime Minister Mahathir bin Mohamad of Malaysia told a crowd of 10,000 roaring supporters. "We do not have a big army to attack anyone. We have tried to be good neighbors. But don't take us for

Speaking in a stadium in Johor Baru, a few kilometers from the border with Singapore, Mr. Mahathir criticized Singapore for asking Malaysia to move its immigration and customs checkpoint from Tanjong Pagar, a railway station in central Singapore

Diplomats and analysts say Malaysia and Singapore have always had many outstanding disputes — among them water and the railway checkpoint. But underscoring this latest war of words are problems related to the regional economic crisis, they said.

"There's never been a standoff quite like this," said Abdul Razak Abdullah

Baginda, executive director of the Malaysian Strategic Research Center, a think tank in Kuala Lumpur, "There's a fundamental problem in the relationship. And there's a feeling that some quarters are exploiting the economic

SEOUL - Foreign Minister Park Chung Soo resigned under pressure

Tuesday for muffing a diplomatic dis-

pnte with Russia over espionage ac-

tivities, a presidential statement said, adding that Mr. Park "expressed his

apology for causing concerns to the

erally viewed as diplomatic cover for being dismissed. "That is the way it should be perceived," a Foreign Min-

Mr. Park was replaced by Hoog Soon Yung, an ambassador-at-large and

former eovoy to Russia, whose appoint-

ment was immediately welcomed by

Resigning with an apology is geo-

people over Korea-Russia relations."

The issue of the border checkpoint, which has dominated headlines in both countries for several days, is enveloped in controversy over decade-old deals

signed between the two countries. The issue revolves around the fact that Malaysia controls land around the railway station and would have to give it up if it leaves the checkpoint.

"We have been considerate but what did we get in return?" Mr. Mahathir said. "They have asked us to leave Tanjong Pagar when we supply them with water."

Witnesses said the crowd, in response to Mr. Mahathir, chanted: "Cut, cut, cut," a reference to the water pipeline that runs from Singapore to Malaysia. Singapore gets about half of its drinking water from Malaysia.

Chief among the disputes linked to the economic crisis are the relatively high interest rates that Singapore banks offer for ringgit deposits — sucking the Malaysian currency out of the cash-strapped country, and disappointment on Malaysia's part that Singapore, which has fared better during the crisis, has not been more forthcoming with assistance.

Malaysians also complain that Singa-

pore has locked in the deposits of the hundreds of thousands of Malaysians working in the island republic through a mandatory savings plan.

Most important to Singapore is water. The tiny nation of 3 million people bas two agreements with Malaysia that ex-pire in 2011 and 2061. Singapore is seeking a third agreement with Malaysia guaranteeing water beyond 2061.

tionship between Russia and Korea," said a Russian Foreign Ministry spokesman, Vladimir Rakhmanin. "We hope his appointment to this senior post will

enable us to make further progress."
Relations between South Korea and

Russia became strained last month when Russia expelled Cho Sung Woo,

an intelligence officer in the South

Mr. Cho bad been caught receiving clas-

sified material from an official in the

Foreigo Ministry's First Asian Depart-

ment. Seoul retaliated by expelling a

Russian diplomat, Oleg Abramkin. In an attempt to eod the row, South

Korea said it would withdraw five dip-

lomats from its Moscow embassy. In a

aevelopment, Russ

The Russian Foreign Ministry said

Korean Embassy in Moscow.

# 22 in Bombay Killed In Building Collapse

BOMBAY - Rescue workers used

BOMBAY — Rescue workers used buildozers and blowtorches on Tnesday to clear loose rubble and try to reach survivors of a building collapse that killed at least 22 people, officials said.

Twenty people were injured and many were missing under the debris of tangled concrete and steel, all that remained of the seven-story Bombay apartment building that collapsed Monday night.

"We are just waiting to see if there are any miracle survivors," said V.V. Rao, the chief fire officer, "but the chances are remote."

chances are remote."
The Govind Tower building, in the middle-class suburh of Bandra, had shops on the ground floor and a cheap hotel on the top three floors.

The rest of the huilding was divided

into 18 apartments, many of whose occupants were believed to be inside when it collapsed. Officials said most of the people were trapped in bathrooms or on stair-

cases as they either took shelter or fled when the huilding began to shudder minutes before it came down.

Local residents believe 70 people

Mr. Rao said the estimates were ex-

BRIEFLY

### Hun Sen Rivals Seek Recounting of Votes

PHNOM PENH -- As a small number of votes were recounted from the parliamentary election last week, Cambodian opposition leaders renewed de-mands Tuesday for action on their com-plaints about electoral fraud before they

plaints about electoral fraud before they consider joining the Cambodian leader, Hun Sen, in a coalition government, "No coalition will be discussed before the recounting is complete," Sam Rainsy said after meeting his opposition ally, Prince Norodom Ranariddh, early Tuesday.

Mr. Hun Sen's Cambodian People's Party is the top yore-getter in 18 of the

Party is the top vote-getter in 18 of the 21 electoral districts whose results have been announced so far. Complete preliminary electioo results were expected to become known Wednesday, when the last two districts were to be

Controversy over the electioo seemed likely to increase as it became knowo Tuesday that a prominent member of the official National Election Committee had resigned from its

# A bulldozer being used in the search for survivors on Tuesday after the collapse of a building in Bombay.

The member, Kassie Neou, a re-spected burnan rights worker who is considered one of the few independent

voices on the committee, declined to

# Sri Lanka Declares Emergency Rule

give a reason.

COLOMBO - The Sri Lankan government imposed emergency rule across the country on Tuesday, a move that gives President Chandrika Bandaranaike Kumaratunga the power to postpone provincial elections scheduled this month.

In an executive order, Mrs. Kn-maratunga said the emergency was imposed "in the interest of public se-curity, the protection of public order and the maintenance of supplies and services essential to the life of the community.

Elections have been scheduled for Aug. 28 in five of the country's eight provinces. Military leaders have expressed concern that troops needed to fight separatist Tamil rebels in the north would have to be redeployed to

secure polling booths. The new regulations give security forces wide powers to search, detain

# 19 Are Killed In Kashmir As Clashes Enter 6th Day

SRINAGAR, India - Guerrillas in India's tense Kashmir region killed 19 people from three families Tuesday as cross-border firing by India and Pakistan ran into its sixth day, officials

In New Delhi, meanwhile, Prime Minister Atal Bihari Vajpayee reiterated his resolve to talk peace with Pakistan.
Suspected separatist guerrillas gunned down 19 people as they slept at Salina, 45 kilometers (27 miles) from the town of Poonch, K.B. Jandial, a state

government spokesman, said by phone from Srinagar, the summer capital of Indian-held Kashmir. Some women and children were

there," he said. Poonch, about 250 kilometers northeast of Jammu, the winter capital, is near the disputed border that divides the two-

the disputed border that divides the twothirds of Kashmir held by India from the
third held by Pakistan.

Mr. Jandial said earlier that an Indian
soldier had died in Pakistani shelling
overnight in the Poonch area.

More than 80 people, most of them
civilians, have been killed since Thursday, victims of particularly heavy crossborder shelling. In addition, Pakistan's
senior state minister. Ishan Zafar, said senior state minister, Ishaq Zafar, said Tuesday that at least 52,000 people bad been displaced in Pakistan-admin-istered Kashmir during the six days of

cross border firing.

In a separate incident, 24 people were wounded Tuesday when suspected separatists three a grenade into a crowded marketplace in the heart of Srinagar, the police said.

Relations between India and Pakistan, which have fought two wars over Kashmir since their independence from Britain in 1947, have taken another

turn for the worse since May, when the two countries staged nuclear tests.

Speaking Tuesday during a foreign policy debate in the lower house of Parliament, Mr. Vajpayee said India would continue to purpus peece with Pakistan continue to pursue peace with Pakistan despite rising tensions. "It is necessary that our ties improve," he said.

Pakistan calls Kashmir the core issue in bilateral relations, while India says trade and other issue are equally in

trade and other issues are equally im-portant. New Delhi has also rejected islamabad's call for outside mediation in bilateral relations.

Pakistan has denied India's charges that it is arming Kashmir guerrillas but has said that it does provide moral and

diplomatic support.

More than 25,000 people have died in Jammu and Kashmir. (Reuters, AFP)

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Foreign Minister Apologizes for Hurting Ties With Russia

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# **EUROPE**

# **Finance Chief Vows Tax Cuts** If Germans Re-elect Kohl

- Finance Minister Theo Waigel said Tuesday that if the governing coalition was re-elected in September, it would cut income taxes noticeably next year, and he urged a reorganization of state and federal rev-

enue sharing to bolster competitiveness. Mr. Waigel promised voters that if the coalition emerged victorious in the general election Sept. 27, the first order of business would be to introduce a bill aimed at cutting income taxes by up to 30 billion Deutsche marks (\$17 billion)

The finance minister charged the opposition Social Democrats with planning tax increases if they win the election.

"We, on the other hand, plan to cut tax rates in a way that will be felt by everyone," Mr. Waigel said. "We will put forward our ideas again the day after the general election is wront; that outlined.

He presented a report that outlined plans to reintroduce the government tax bill in two steps in 1999 and 2000. The plan calls for cutting the top income tax rate for individuals to 39

percent from the current 53 percent as well as cutting corporate taxes.

The Social Democratic Party dealt the government an embarrassing defeat last year when it used its majority in the

upper house, or Bundesrat, which represents the federal states, to torpedo Mr. Waigel's income tax cuts, saying they were unbalanced. The Social Democrats' campaign was

masterminded by the party chairman, Oskar Lafontaine, pegged to be finance minister if the Social Democratic candidate, Gerhard Schroeder, defeats the incumbent, Chancellor Helmut Kohl. Mr. Lafontaine has criticized the gov-

ernment's belt-tightening policy, saying it chokes private consumption at a time when additional private spending is needed to bolster the economy.

He said the government was trying to run the state like a company, cutting costs to meet the challenges of globalization, and added that was the reason for Germany's high unemployment.
But Mr. Waigel said Mr. Lafontaine

intentionally scuttled the tax plan to satisfy his own thirst for power. While most Germans feel taxes are too high and believe Mr. Kohl's co-alition is most likely to lower them, the

Social Democratic Party is leading in

polls ahead of the election.



Chancellor Helmut Kohl pouring a glass of apple juice during his vacation in Austria, where he was interviewed by German television.

# Despite Polls, Kohl Is Confident Last Weeks Will Determine Outcome, German Leader Says

BONN — Unfazed by recent polls that show his Christian Democrats trailing Chancellor Helmut Kohl said Tues-

day that he expected to win the elections in September, which would be his fifth consecutive victory. The outcome, Mr. Kohl said on RTL television, in a traditional summer interview from his Austrian vacation spot, will be decided in the last weeks of the

campaign.
"I am sure that we will win the election," Mr. Kohl said. "I think that the
decision will be made in the last four weeks, and there is still a lot of move-ment left."

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Washingtoo's foreign policy.

Of all regions, the Middle East con-

timies to have the deepest hunger for

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missiles, 1,332 tanks and self-propelled

guns and 72 belicopters in the last four years, the study says.

From 1990 to last year the United

Recent polls show that two-thirds of Germans expect a change in government after the Sept. 27 elections. The edge is going to the rival Social Democrats, leading recent polls with 41 per-cent to the Christian Democrats' 37

But Mr. Kohl said he expected high voter turnout, upward of 80 percent, to belp his conservative coalition by making it more difficult for smaller parties to get the 5 percent they need to enter Parliament.

He said a vote for the junior coalition partner, the Free Democrats, should not be considered a vote for the present governing coalition.

# **Emergency Treatment Saves Havel**

Czech President Was on Verge of Death During Night, Doctors Say

PRAGUE - President Vaclav Havel underwent emergency cardiac electroshock therapy to save his life Tuesday, after his heartbeat became irregular, in his most serious health scare since 1996,

doctors said. Dr. Boris Stastny said the 61-year-old leader had been "io danger of dying for half an hour" during the treatment early Tuesday, as his pulse rate rose to 200 beats a minute.

For most mortals that would have

been fatal," be said.

Mr. Havel's personal doctor, Ilja Kotik, said at a news conference: "A normal cardiac rhythm was restored due to an electroshock and intensive medication therapy applied over two

The president's condition was stabilized only after several hours of intensive care following the drama in the early bours of the morning, one day after he was rushed into surgery after com-

plaining of serious breathing problems. Dr. Kotik said that a lung infection, feared 10 be the early signs of pneumonia, was not as serious as first thought but that doctors were continu-

ing to monitor it.

Mr. Havel felt all right by Tuesday afternooo after his temperature fell and his breathing became easier, Dr. Kotik added. Ultrasound tests on his heart

indicated it was functioning normally.

Mr. Havel has suffered repeated health scares in recent years, including the removal of a cancerous turnor from his right lung in December 1996 following a bout of pneumonia - and a

further bout of pneumonia last year. Long a heavy smoker, Dr. Havel gave up cigarettes oo medical advice after the cancer operation.

Dr. Kotik said that the heart problem was the most serious since that time. Earlier, Mr. Havel's wife, Dagmar, said her husband had spent a difficult night but was feeling better.

"I feared for him all night," she told the Czech press agency CTK. "But this afternoon he seems to feel better.

The scare arose Monday after Mr. Havel underwent a tracheotomy — a procedure in which a small hole is made in the trachea at the base of the throat to aid breathing — at the Prague-Streso-vice Military Hospital.

That operation had been decided on after he reported breathing difficulties and developed a fever following a, routine operation July 26 to remove an intestinal device device inserted during, surgery in Austria in April.

The tracheotomy was the most recent of several for Mr. Havel in the last 19

It was performed by Dr. Ernst Bodner, the Austrian surgeon who performed emergency surgery on him on April 14 when he was taken ill while

bolidaying in the Austrian Tyrol. Dr. Bodner has postponed his return 10 Austria following the new surgery.

### BRIEFLY

### 10 Missing in Berlin After Building Blast

BERLIN - Up to 10 people, including a 13-year-old boy, were missing Tuesday after a suspected gas explosion reduced a Berlin apartment block to rubble, German rescue work-

The police said at least 9 of 19 residents were known to be safe. Some were rescued from the rubble, while others were able to free themselves. The cause of the blast was not known. but a gas explosion was a likely possibility, a police spokesman said.

Fire officials said the 13-year-old was believed to be in the rubble. His parents, who were able to walk from the building, said the boy had been in their ground-floor apartment at the

# U.S. Approves Sale Of Stingers to Greece

WASHINGTON - The U.S. Defense Department has approved the potential sale of 1,322 Stinger missiles, 188 launchers and support equipment to Greece at a cost of \$150 million.

The Pentagon said Monday that the proposed sale would "contribute to the foreign policy and national se-

curity of the United States by improving the military capabilities of Greece" and enhance the ability of and enhance the ability of NATO militaries to cooperate with common weaponry. It would not affect the military balance of the region, the

### Hopes Fade for Men In Austrian Mine

LASSING, Austria — Rescue efforts to find 10 men buried in an Ausforts to find to men buried in an Austrian mine continued Tuesday, but some experts left as bopes of finding anyone alive faded to virtually nil.

The departures came after it was confirmed Monday that no signs of life had been found in an underground cavity where the 10 might have taken refuge. Rescue officials said the decision to continue was made after doctors said it was theoretically possible for the men to survive for two months,

if they had oxygen and water. The 10 men were buried in a cave-in on July 17 after going to the aid of a miner caught in a cotlapse. The miner, Georg Hainzl, 24, was rescued on July

# Irish Act on Refugees

DUBLIN — The Irish government said Tuesday that new immigration

laws would make trafficking it refugees a criminal offense after a recent influx of stowaway immigrants arriving on ferries from France.

The regular discovery of stowaway immigrants on ferries from Britain and France has overwhelmed Ireland's previously small asylum applications process system.

A backlog of about 6,000 applicarious has meant that immigrants have been able to stay for an average of three years before a decision is taken. In 1992 there were 39 asylum seekers. Last year 3,383 arrived. (AFP)

### Yeltsin Takes a Break

MOSCOW - President Boris Yeltsin flew to Russia's picturesque Valdai district Tuesday to resume the summer vacation he interrupted last week citing economic crisis, the Kremlin said,

Mr. Yeltsin was expected to be back in Moscow by the second half of August to meet several visiting foreign leaders.

### For the Record

A police chief and the mayor of Ajaccio, the capital of Corsica, were questioned Tuesday following the their of 23 potice handguns from the city hall police armory.

# In World's Arms Bazaar, U.S. Keeps the Top Spot

But Russia and France Are Catching Up Fast

By Tim Weiner New York Times Service

ME WIERRY

WASHINGTON - The United new weapons, the report says, and the United States continues to be its most States remains the world's biggest arms merchant, filling the developing world's arsenals with billions of dollars in weapons, but Russia and France are poised to overtake the United States, a

government report reveals. The study, by the Congressional Research Service, says the United States retained its No. 1 position in the weapons trade, which it has held for seven years, by selling \$15.2 billion worth of weapons last year, a 44 percent share of the shrinking arms market.

Russia and France are in a dead heat in the competition for sales pacts, says the report, which is based in part on data compiled by the Central Intelligence Agency. The sales agreements, not all of which are carried out, indicate trends in

The report shows that sales by the United States and other nations to the developing world are slowing. There bas been a steady decline in most sectors of the trade since the end of the Cold War and the Gulf War.

The arms bazaar of the 1980s and early 1990s in Asia and the Middle East has calmed, in part because of the Asian economic crisis, which has prevented nations from striking hage new deals.

Another factor is the long slump in crude-oil prices, helping slow purchases

by Saudi Arabia, once the biggest buyer of U.S. weaponry. The Saudis bave also been constrained by the buge costs they incurred in helping finance the Gulf Developing nations are still the

biggest buyers of U.S. weapons. Last year, the United States delivered attack helicopters and a variety of missiles to Taiwan, missiles and torpedoes to Egypt, multiple-rocket launchers and airborne-jamming equipment to South Korea and air-defense communications equipment to Saudi Arabia.

Saudi Arabia, with \$11 billion in new weapons deliveries, and Taiwan, with \$9.3 billion, were by a 10-fold factor the largest buyers among developing nations last year, far outstripping their nearest competitors, Egypt, Iran and

Kuwait. They will soon have a new rival. In May, the United Arab Emirates announced that it would buy 80 F-16 fighters, including weapons and support systems, a deal worth an estimated \$7

U.S. policy on weapons sales was set by an order signed by President Bill Clinton in 1995, Presidental Decision Directive 34. It says the sales are "a legitimate instrument of U.S. foreign policy. The policy makes clear that increasing the sales and market share of

# The Global

The United States leads the

**BIGGEST SELLERS** Arms deliveries to the



\$15.2 billion



States signed contracts to sell \$44.1 billion in weapons to Middle Eastern nations, the report says.

France is in a position to overtake the United States as the region's biggest arms suppliers, the report states.
Asia is the second-biggest regional

market, and Russian sales to India. China and Vietnam have given it the biggest share of arms-transfer agreements in the region. From 1994 to 1997, Russia concluded \$29.6 billion in agreements to Asian nations, more than 40 percent of

that market. Over all, bowever, the United States has led the field in the From 1990 to 1997, it delivered \$53.4

billion of weapons to the developing world, far outstripping Britain, Russia and France, the study shows.

The figures in the annual report for

U.S. sales include just government-approved military sales, not commercial sales of components and spare parts.

# Arms Bazaar

way in arms sales around the world. Figures are adjusted for

world, by supplier, 1997.

Value of arms delivered from 1994 to 1997.

\$4.5

# STOCKHOLM - A new law mak-

ing it illegal to buy sex in Sweden has prompted a national debate over fears the country's sex industry will be driven underground and hijacked by pimps from Eastern Europe.

Swedish social workers argue the law, due to come into effect in January, creates ideal conditions for pimps to ensnare prostitutes and puts sex workers at increased risk of violence and ex-

But a politician, Inger Segelstrom, chairwoman of the governing Social Democrats women's committee, is defeading the move. 'It is time to stop coddling people

that go to prostitutes. People should not be able to buy women for money." Ms. Segelstrom told the daily newspaper Dagens Nyheter. "The pimps are already here. Two-thirds of prostitutes work indoors, which means the trade is already organized. It's been like this for 20 to 30

A debate over the new law emerged this week after social workers in Stockin the number of prostitutes from Baltic nations and Eastern Europe coming to

work in the Swedish capital. On Sunday night police raided an inner-city brothel allegedly run by two conference center.

The raid followed reports by one woman of violence. The police believe the brothel was

linked to organized crime in Estonia and was just one anempt to establish a foothold in Sweden's sex industry.

"It is not hard to go over and get new girls" in Estonia, a police spokesman, Per-Uno Hagestam, told Swedish me-dia. "As it is linked to Eastern Europe, the conditions at the club were sig-nificantly harder than at other porn clubs in the city. We are talking about white slave trade."

For the price of 1,500 kronor (\$188), the spokesman said, "You can do what you want with a girl for an hour.'

A telephone survey conducted by Daas Nyheter and published on Tuesday found that most Swedes thought the law would drive prostitution off the streets.

Law to Halt Buying of Sex Stirs Swedes Most people thought "the law is just a

bug of air, "it reported.
"I want to get rid of oppressors of women, but I think that if you outlaw prostitution it will just make the industry more organized." said one respondent.

Some were in favor of the law, which will carry a six-month jail sentence or a fine for anyone caught buying or at-

tempting to buy sex.
"If there is a risk of jail, then people will think twice before buying sexual services," said Nils-Gunnar Lind, who took part in the survey.

'You only need to think of the father of a family who takes money from the house accounts to go to a prostitute. Criminalizing this is good for families

and for the women. Sweden, with a population of 8.8; million, is estimated to have about 2,500 prostitutes, but the sex trade is barely: visible, with streetwalking restricted to one small area behind Stockholm's:

The new law is the product of a prostinition investigation committee set np

# Islamist Playwright Gets 24 Years For 'Insulting' Turkish Military

ANKARA - A Turkish court sentenced Tuesday an Islamist playwright and actor to 24 years in jail for a play that allegedly insulted the country's powerful armed forces, the Anatolian press agency said.

It said the Ankara court found Mehmet Vahi Yazar guilty of provoking hatred by highlighting elass, ra-cial or religious differences between people" in his play, "An Enemy of Four other members of the cast re-

ceived 16 years in prison on the same

charge, often used to prosecute Islamist politicians or journalists. A performance of the play last year in the eastern province of Erzurum outraged secular authorities who said the drama encouraged revolt by portraying the military as an obstacle to the establishment of a state based on Islamic

Turkey's armed forces have inspired a judicial crackdown on political Islam since forcing the collapse of modern Turkey's first Islamist-led government

last year. The generals say it is their duty to rotect overwhelmingly Muslim Tur-

key's secularist consolution. Turkish state religious authorities are to take control of about 180 privately run mosques as part of a new anti-Islamist law demanded by the military, the agency said.

being centers of religious activism aimed against the state. Prime Minister Mesut Yilmaz's secularist coalition passed the law in Parliament shortly before it broke up for a

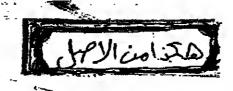
Secularists accuse private mosques of

two-month summer recess last week. The move against unregistered mosques was part of a raft of legislation demanded by Turkey's generals to clamp down on Islamists.

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# **Good Times Continue**

Greenspan and assorted other economists, but to the American people the economic outlook could out be rosier. That is what they tell the pollsters, who put consumer confidence at virtually the highest level in 30 years. More important, consumers act on that belief.

Some economists thought the second-quarter numbers would show a decline in the American economy. But instead, the estimates issued by the government last Friday showed continued growth, albeit at a reduced level. That was because Americans, both individuals and husinesses, are buying at a very high, and ultimately unsustainable, pace. Adjusted for inflation, purchases hy Americans are up 5.6 percent over the past year. Such rapid growth would be expected if the economy were coming out of a recession and pent-up demand were hursting forth, but this is the eighth year of economic expansion.

Unfortunately, incomes are not rising at anything like that pace. To support such spending, people are de-ciding not 10 save. The statistics on savings are muddied hy the government's decision to change the way they

The Asian crisis may alarm Alan are calculated, but it appears that the savings rate is at the lowest level since the government started collecting the figures in 1946. Perhaps people see little need to save. What savings they have are booming along with the stock market, and there is oo worry about

been in many years.

But for now, consumers see a wonderful economy, and are spending on

# Campaign Reform

In the end, the numbers themselves sent the most powerful message. After a year of false promises, poison pills and delays, the U.S. House of Representatives approved the Shays-Meehan hill to clean up the corrupt campaign fund-raising system by a decisive vote of 237 to 186. With 51 Republicans defying Newt Gingrich and supporting reform, the vote shattered the idea that campaign reform is a partisan issue. Also demolished were the predictions of Republican leaders and worshipers of conventional wisdom in Washingtoo that reform was dead. The measure oow stands an excellent chance of surviving the tests ahead and winning approval as the final bill. The House action was a milestone in

a journey that began with the first disclosure of campaign fund-raising excesses in the 1996 presidential electioo. Hearings into those abuses last year were clouded with partisan acrimony. Bot on Monday, Republicans and Democrats showed that they could work together.

Mr. Gingricb and his henchmen, especially Tom DeLay, tried to portray the legislation as revolutionary. In fact, it simply closes loopholes in the existing law limiting contributions to candidates in federal elections.

unlimited "soft money" donations to sage at their peril. political parties from corporations, un-

There are signs of problems for businesses brought on by the overseas weakness. So far those problems seem oot to have dampened corporate investment, let alone the huying patterns of consumers. But the American trade deficit is soaring to record levels even with imported oil the cheapest it has

For now, the trade deficit has little cost. The dollar is strong because the yen is weak, amid worries that the Japanese recession will deepen. If Japan does get its economic house in order, the dollar could begin to fall, perhaps raising the reported inflation figures enough to trouble American

the assumption that it will continue.

# the donations that the Democrats raised at the White House and Republicans at

applies fund-raising limits to campaign ads broadcast by single-issue groups for two months before an election. The remaining test for the Shays-Meehan bill will come later this week, when various so-called "substitutes" are voted on. Any bill that gets more votes than the Sbays-Meehan bill will be the one to win final passage. It is imperative that supporters of

their own fund-raisers. The bill also

Shays-Meehan vote against these substitutes, particularly a sham piece of legislation advanced by a group of freshmen that would ban soft money from the national parties but let it go to the state parties. The freshmen bill is not worthy of the name "reform." It would channel the same corrupting money from special interests into national campaigus from a different route.

In a climactic momeot in the debate, Zacb Wamp of Tennessee implored his fellow Republicans to set aside their party leaders' addiction to soft money and approve legislation clearly desired by the public. That his argument car-ried the day kindles genuine hope that Congress does listen to the public's yearning for a more accountable political system. Members of the House or The bill extends the law by banning the Senate will now ignore that mes-

THE NEW YORK TIMES.

# Pay-Per-View Threat

for most of this year to ratify the in-. ternational treaties that are supposed to bring copyright law into the digital age. It has been a large and complicated endeavor, requiring people to rethink such fundamental aspects of intellectual property rights as what constitutes 'copying' in a digital environment — Is it copying a document just to read it on your computer? To print it out to read later? - and when such copying represents a copyright violation.

But the major snag is none of these weighty issues but, rather, a fierce face-off between libraries and big-time copyright-holding interests over a seemingly minor provision that would make it a crime to break any technological locking device designed to

prevent unauthorized copying.

This debate over the "anti-circumvention" provision is now the main item of disagreement between versions of the copyright hill produced by the Judiciary and Commerce committees of the House of Representatives. (The Senate passed copyright legislation in May.)

Those who expect movies, songs, software and even books to be eventually delivered mainly over the Internet want to make sure that this will not mean widespread unauthorized copying and the subsequent collapse of any market for the work. (Newspapers, as creators of copyrighted material, have an interest here as well.)

They picture every piece of intellectual property being distributed with some kind of 'lock' that would permit, say, just one viewing of a downloaded movie. It is the disabling of this lock that would be made a crime, ex-

. The U.S. Congress has been trying cept in specified circumstances. There is room for doubt whether it makes sense to make the lock-breaking a crime here rather than merely, as till oow, the actual copyright violation.

But the real problem is more prag-matic. This "transition to a pay-per-view world," as one enthusiastic movie distributor put it, works fine for the entertainment industries and the commercial market. Where it does oot work is in libraries and other places where use of books and research material is not pay-per-view but, till now, free.

Libraries are worried that the "fair use" exemption that allows limited use of copyrighted material without permission for such purposes as comment, criticism, education or research, although technically unchanged in the law, would become sharply limited in practice if all material were distributed

with 'locks,' and libraries were pro-hibited from 'anlocking' it.
What happens, they ask, if a chart of environmental data that oow can be photocopied for use in a class were made available only on a CD from which printouts could oot be made? if research journals were provided to libraries on a pay-per-view basis that would keep independent re-searchers from making photocopies for their own use?

Language in the Commerce bill sought to address this problem by creating a mandatory review every two years of the provision's effect on 'fair use" in various contexts. On the floor or in conference, these protections from a permanent "pay-per-view

# Herald Eribune

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# The West Winks at Serbian Atrocities in Kosovo

NEW YORK — Serious human rights violations are being tolerated in Kosovo in favor of short-term geopolitical interests in the Balkans.

Serbian police and the Yugoslav army have lauoched their largest of-fensives to date against the ethnic Al-banian insurgency. They appear to have used disproportionate force, attacking civilians and systematically destroying villages. At least 100,000 people are internally displaced, many hiding in canyons and forests, and 20,000 bave fled the region altogether.

Despite this, NATO is now further from taking action than it was a few months ago. The U.S. government has expressed only mild criticism, mostly because the Kosovo Liberation Army has become an annoying threat that it could not control.

Diplomats in Kosovo are telling journalists that the West has turned a hlind eye to the abuses in order to force the KLA to the negotiating table.

The U.S. position is presented by Secretary of Defense William Cohen,

who recently said that NATO "does oot want to see" Yugoslav President Slobodan Milosevic's troops attacking

for one. They are not.

cipled stands.

there is oo sense taking prin-

growth in the first quarter.

Quarter-to-quarter GDP fig-

with little bope of recovery soon. GDP fell by 5 percent in

the most recent quarter, and in-dustrial production was off by

19 percent. The Japanese un-

employment rate is at a record

high, and bad debt at banks is

Deflation threatens to sweep

the world. Food prices bave

fallen by nearly one-third from last year. Lower prices for com-

modities, as for finished goods, are usually a good thing, but if,

because of weak demand,

prices keep falling, companies cannot make profits and they sooo start laying off workers

and going bankrupt. Consumer

demand drops further, and a

full-fledged recession, or even

NEW DELHI — India's nuclear policy remains firmly

committed to one basic tenet: In

a world of ouclear proliferation,

our national security lies either

in global disarmament or in the

exercise of the principle of equal

India's consistent campaign for

nuclear disarmament in the past

five decades. No other country

in the world has exercised the

kind of restraint that India

demonstrated for nearly a

quarter of a century after the first Pokhran test of 1974, de-

spite the fact that India has

nored or overlooked.

commerce. For India, nonpro-

The deterioration was also a

result of new strategic align-

ments. After the end of the Cold

War, a new nuclear clnb came

into existence, stretching from

Vancouver to Vladivostok.

Spreading across the globe, from the eastern rim of Asia

back across continents to the

Pacific Northwest, this new se-

curity structure left a gap — a vacuum — in South Asia.

pear curiously selective.

This bas been the basis of

and legitimate security for all.

depression, is the result.

estimated at \$1 trillion.

By Fred Abrahams

civilians or using disproportionate force, but also does oot want to take action that "could be construed as lending support, either moral or military, to those seeking independence."

Such a position spells disaster for the people in Kosovo and the region. Mr. Milosevic's troops are committing serious abuses, and there is no indication that the atrocities will stop.

Human rights groups name five villages where summary executions bave taken place since February. Hundreds of people have been arrested and abused; many villages have been de-stroyed. Many civilians must have died from indiscriminate artillery fire. Where is the threshold? At what

point will the Clinton administration decide that it has seen enough? Understandably, Washington is con-cerned about the destabilizing effects

that an independent Kosovo might have on neighboring Macedonia, with its sizable ethnic Albanian population, and on the fragile peace in Bosnia, where 20,000 U.S. soldiers are still on

feed a refugee outflow that could ignite an increasingly radical Albanian com-munity in Macedonia.

Washington is missing the funda-mental point that there will be no sta-bility in the Balkans as loog as Mr. Milosevic stays in power.

Bosnia, American officials still regard him as the man who can stop the fighting. The "man with the reins" argument was used by Richard Holbrooke when Mr. Milosevic signed the 1995 Dayton accords, which stopped the fighting in Bosnia. But the international communication of the stopped the signal and the stopped the nity's failure to punish Mr. Milosevic for crimes in Croatia and Bosnia sent the message that he would be allowed to get away with such crimes again. The man who started these conflicts

cannot be trusted to stop them. There will be no lasting peace as long as Yugoslavia remains an undemocratic state with Mr. Milosevie at the helm. Even if the Albanians agree to au-

tonomy, as the U.S. government is pressing them to do, there is oo guarantee that Mr. Milosevic would end his

the ground. But uncbecked atrocities, repressive rule in Kosovo, or that he and the predictable KLA response, will would not again revoke Kosovo's status at some point in the future. An abusive government in Belgrade will be a constant threat to the region. The first priority for U.S. policy should be his indictment.

A second is continued cultivation of democratic alternatives within Serbia Despite past atrocities in Croatia and and Montenegro, with an emphasis on building institutions like independent courts and depoliticized police. Independent media should be supported.

All options for Kosovo's political status should be considered, as long as they include guarantees for the rights of both Albanians and Serbs.

Admittedly, strong action against Mr. Milosevic is a bad message to send to armed insurgencies with separatist agendas around the world. But equally bad is the current message to Mr. Milosevic and other aggressive dictators that their violence will be inlerated by the international community in the name of territorial integrity.

The writer, a researcher at Human Rights Watch, contributed this to the International Herald Tribune.

# Recession in America? Time Now to Worry About It

By James K. Glassman

WASHINGTON — No one knows what the American economy will do. but when growth in the second quarter for the large public companies was the experts see growth to the far horizon, it is time to worry. just 4 percent — the slowest since 1991, the last recession. I think a case can be made that the economy is beginning to slow significantly. And while it is far from certain that a re-

Since July 17 the stock mar-ket bas dropped by more than 6 percent. A big decline would be a double whammy, pinching cession is imminent, smart politicians would be preparing corporations and making Amer-Politicians heading into the icans, who oow count stocks as November elections are disthe No. 1 source of wealth, feel turbingly bipartisan. Both sides poorer and less apt to spend.

figure that, with peace and prosperity, their incumbents With all these dangers, where are the politicians? At the very will cruise to re-election, so least, you would think that Republicans would be prepared to say to Democrats; "This slow-down is the result of your pres-ident's policies. If be hadn't But prosperity is now in question. Oo Friday, the gov-ernment reported that GDP inbeen preoccupied with scandal creased by only I.4 percent in the second quarter. That is a and if he hadn't taken us down the wrong road, the economy would be booming." Of course, to criticize the Bill severe decline from 5.5 percent

head winds from Asia. Earnings Clinton for taking the wrong road, Republicans would have to make the case for the right road. This they have not done. Nor have traditional Democrats to the left of Mr. Clinton.

This negligence is no sur-prise. Throughout the past decade, both parties have sacrificed principle to ad-hoc-ism. It is hard to decide whether to embrace or to dismiss a policy unless you have solid beliefs to measure it against. Neither side has such beliefs.

Thus, for example, we see Republicans backing more reg-ulations on medical insurance, and Democrats supporting corporate welfare programs.

In 1960, the late Barry Goldwater wrote: "I have little interest in streamlining governmeotor making it more efficient, for I mean to reduce its size. I do

not ondertake to promote welfare, for I propose to extend freedom. My aim is not to pass laws but to repeal them."
Which politicians, on either

side, could voice principles so

clearly and stick to them? Perhaps Representative Mark Sanford, Republican of South Carolina. Or Representative Barney Frank, Democrat of Massachosetts. Not too many others. Politicians with principles

would have been making coosistent arguments, so that, when bad times struck, they would be ready with an answer

Republicans could say: "The best way to cope with the inevitable ups and downs of command-and-control economies around the world is by making our own economy more free and our companies more flexible and agile. Do that with a simple triumvirate: less onerous

an imperative with our budget surplus, much lower taxes. Otherwise, we will be swept into the Asian vortex." Democrats could say: "The Miant De

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-5

Fed must end its tight money policy now, or it will create a severe recession. The Treasury's romance with lower growth to help bondholders now threatens to wreck the economy. We must use the unprecedented surplus to relieve the suffering of Americans who have been left out of this prosperity and to rebuild the nation's infrastructure — in a boost to an economy that could collapse at any minute.' Instead, silence and ad hoc

pronouncements reign as the economy heads south.

The writer is a fellow at the American Enterprise Institute. He contributed this comment to

argument for letting the pres-

# The World Needs an Effective American Presidency

By Thomas L. Friedman

Quarter-to-quarter GDP fig-ures are notoriously volatile. As recently as the third quarter of 1996, GDP growth was a mere 1.0 perceot. But that figure was an anomaly. The world is very different today. Thanks to a RIO DE JANEIRO — Scene
oce: A Brazilian macho severe crisis in Asia, global fundamentals are turning sour.

Japan is mired in recession with little bope of recovery

A Brazinan macho

World leaders always play downward ecocomic spiral in argument for little and the book and just ignored argument for leading in president, in whatever he says of the book and just ignored argument for leading in president, in whatever he says of the book and just ignored argument for leading in president, in whatever he says delivered the award to the

American Embassy.
Scene two: Lunch in Rio de know what Bill Clintoo's troubles might mean for U.S. investment in Brazil.

"The whole world is depending oo U.S. capital flows," exindulge in this entertaining plains Joel Korn, a leading Brazilian management consult-ant. "If there is a change in the U.S. situation because of the president's troubles, which affects U.S. investment overseas, the wbole world will be hurt." You have bere in a nutshell

the two basic foreign reactions to Mr. Clintoo's troubles: Surely you Americans can't be serious aboot prosec-

uting your president for adultery! Don't you realize bow Janeiro with a group of Brazili-an businessmen. They want to the world? Maybe yoo think you don't need a president --but the rest of the world does. We Americans may think

> that the world is safe for us to Clinton saga, and for U.S. foreign policy to come to a stand-still while the saga plays out, but it is not. Russia, with 20,000 ooclear

weapons and an impoverished arms industry ready to sell anything to anyone, is teetering on the edge of collapse. Kosovo and Albania are imploding. China is considering devaluing its currency, in a move that U.S. firms are feeling the uting a president for adultery. could trigger a whole new

Saddam Hussein is preparing to the grand jury this month or to rear his ugly head again. Iran to the American public after-The Arabs are moving closer to Iran, out of a feeling that the United States is ton weak now to protect them from any Iranian meddling.

The expansion of U.S. free trade, through the fast-track process, is frozen because the president is afraid to confront congressional Democrats on this issue, because they are his only core support.

And the Arab-Israeli peace process is frozen, in part be-cause the White House has completely wimped out from its vow to confront Israel's prime minister if he continues to reject the U.S. peace plan.

is testing a long-range missile. ward, has to bring this case to a close, once and for all. No more "I didn't inhale," "I didn't consummate," "Not to my recollection. The press is oow full of re-ports about infighting in the White House between aides

who think the president should come clean with the grand jury and aides who think he shouldn't. Excuse me, but are these guys nuts? Do they really think there is any hope for salvaging the Clinton presidency with anything less than a full disclosure?

Do they really think America's national security interests can indefinitely tolerate a wounded president, constantly on the run from the press, courts and Congress?

Mr. Clinton has to say and do now what is necessary to put this case behind him - in a way that might give at least some chance for him to pursue the progressive agenda, at home and abroad, for which be was

He owes that to all the people who believe in the social and economic programs for which he stood, and still might be able to salvage. He owes that to all." the people who don't want to see an isolationist, mean-spirited Republican right shaping America's future.

Whatever his aides might say, his options are to tell the truth or resign.

The New York Times.

### faced a situation, unparalleled world" ought to be maintained. in the world, with two ouclear have been so many ill-informed toward global ouclear disarm--THE WASHINGTON POST. powers in its immediate and assessments of India's security IN OUR PAGES: 100, 75 AND 50 YEARS AGO trouhled neighborhood. The 1990s, however, brought

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By Jaswant Singh

For India, Disarmament or Equal Security

Because it is exclusive, se- the international ooclear seculective and inadequate, this protective umbrella, from a South Asian point of view, is also inherently discriminatory. Large parts of the world today enjoy the benefit of the extended deterrence of the nuclear weapon powers. But India does not.

or its security concerns, closing the gap has nor been a priority for it. Again, oot so for India. That is why, in the flood of commentary on our decision to test ooclear weapons, there predicament. Paradigms of se-

about a qualitative deterioration in India's security environment. This resulted, in the first instance, from the complicity of the "permanent five" guardians of the ooclear nonproliftreated as subjects responding eration regime in the spread of ouclear know-how in India's to our own interests. neighborhood, which they ig-

While the present nuclear powers justify ouclear weapons Indeed, as seen from India. even against perceived threats ouclear technologies began to from noo-nuclear states, a reserve as commodities of stragime of international nuclear tegic, political and economic apartheid becomes operational whenever India claims a place liferation efforts began to apin the sun.

India's decision to conduct ouclear tests was a step taken in our national interest. By exercising this option, India only brought the existing nuclear reality, hitherto ignored, into the open. It sought to move toward. and has gained, some strategic autonomy. That is India's due. Thus, in the absence of any alternative, India, viable through a limited series of tests,

rity paradigm be reviewed or

that it be made inclusive. India cannot accept a semicolonial and inferior status as a natioo whose security prescriptions are determined for it by others. We appeal to the international community - particularly to

Since this large majority does not share either India's history the ouclear weapon powers and all countries that derive their security through nuclear-deterrent protection extended to them — to join us in re-examining the present international security regime. We must find ways and means of moving

ament, step by step.
In the wake of India and curity relevant to others are Pakistan's tests, there have transposed to us. The people of been many calls by the inter-India, one-sixth of bumanity, national community for reare seen merely as objects of the straint in further development security perceptions of others. of the nuclear option. India has We are assigned a particular made several assurances and ofplace in the world order and not fers displaying precisely such restraint.

> We have stated clearly that we will not be the first to use nuclear weapons. We have announced a moratorium on further testing, and conveyed our willingness to convert that moratorium into a de jure obligation. We are ready to engage in meaningful discussions on a fissile material cutoff treaty in the Conference on Disarmament. And we have already announced our accessioo to the Chemical

Weapons Convention. We have also announced strict adherence to, and a stringent tightening of, export con-trol measures on nuclear-, missile-, chemical- and biologicalweapons-related technologies. But the present model of nu-

security is not viable. What is required is a balance of rights and obligations in the entire field of disarmament and nonproliferation. The way ahead is through the evolution of a universal security paradigm for the entire globe. In

only on differential standards of

ers, humanity is indivisible. The writer is senior adviser to Indian Prime Minister Atal Bihari Vajpayee on defense and

the ouclear realm, as in all oth-

foreign affairs. This comment was distributed by the Los Angeles Times Syndicate.

1898: U.S. Indiscretion MADRID - Rigorous censor-

ship has set opon the peace negotiations. You can imagine the feelings excited by the telegram to the effect that President McKinley has taken the entire American people into his confidence as regards the terms of peace. "El Liberal" says: "The governors of North America conduct in a manner as piebeian as absurd the art of politics and of diplomacy. For them the professinnal reserve upon which depends the salvation of nations is ridiculous antiquities, admissible only for the peoples of Europe. In our opinion it is mueb better to give no infor-mation to the vulgar."

1923: Bearded Czechs

PRAGUE - An organisation, which will attempt to induce all Czecho-Slovaks to wear full has only reasserted that either clear conproliferation based beards as an expression of their

nationality, will hold a conven-tion at Machrisch-Ostrau. The society, which has enlisted bundreds of members, declares that the Czechs at the greatest period in past history all wore beards, and loyal members of the new republic should do the same.

1948: Arab Refugees TEL AVIV — The Secretary

General of the UN cabled a tersely worded reminder to Israel of the status of the Jews in displaced persons' camps in Europe and Jewish detainers in British camps in Cyprus. The cable followed Israel's refusal to permit the re-entry into Palestine of the 300,000 Palestine Arab refugees displaced from their bomes by the fighting in Palestine. It was addressed to Israeli Foreign Minister Moshe Shertok. Mr. Shertok said that Israel would not permit the Arab refugees to return until there had been a final peace settlement in Palestine.

Property of the second

Testiden:

America in an Era of Lackluster Leadership OS ANGELES — A trip to Franklin Delano Roosevelt's home at Hyde Park, New York, stirs both pride and puzzlement. The pride comes in feeling some contact with an American who endured debilitating hardship and then stirred himself, and the nation, to per-

form extraordinary feats. The puzzlement comes in two forms. Although Roosevelt was, by any definition, to the manor born, his residence (like the museum nearby huilt in his honor) seems remarkably unpretentions, a real house in which real people actually lived.

In one corner of the heavily draped living room is the table at which Roosevelt noodled around with his stamp collection; the guest quarters and Roosevelt's bedroom are tasteful in the Victorian manner but hardly

> Roosevelt's geominely heroic image amid the lack of imperial grandeur. All around, roes of yesteryear? The question has haunted succeeding the cluster of old navy the cluster of o prints and family bric-a-brac,

### By Sean Wilentz

pair of empty wheelchairs.

There are reminders of his to the example of their fagreat accomplishments amid thers, who had won the revthe Depression and World olution and ratified the U.S. War II: drafts of major Constitution. speeches, letters from poor but encouraged ordinary citizens, an exhibit reconstruct- of the Civil War generation ing the White House's secret -faced similar fears of an im-

There are reminders of other larger-than-life characters, ranging from Eleanor Roosevelt to Churchill to and the rest of the heroic co-Stalin - for good and for evil hort that battled the Depres-

life: a photograph commem-orating President Bill Clinton's summit meeting with lutions that have widened op-President Bons Yeltsin at Hyde Park in 1995. Coiffed, tailored and puffed up as both The second puzzlement men are, they look like pyghas to do, paradoxically, with mies beside the departed

generations of Americans. come spiritually timid and man or woman in the right

there are silent reminders of . Among those who came of the adversities he overcame, age around the year 1800, none more poignant than a there was palpable anxiety about their inability to live up

> At the end of the 19th century, the sons and daughters pending decline into complacency and enervation.

Today, Americans under 50 look back at their parents an impressive group.

There is only one jarring cured civil rights and start to intrusion of contemporary worry.

This generation can boast of advancing cultural revoportunities for women and minorities. But so far its polldriven, television-obsessed public leaders - Mr. Clinton. Al Gore, Dan Quayle, Newt Gingrich - have appeared less than heroic and more than

Have our public leaders be- ooble calling, that the right

lackluster? Has the capacity place could make a world of for bold leadership — what difference.

Mr. Quayle's mentor, George Today, those ills — leg-

Bush, cynically called "the vision thing" — been purged from public life and monoislative logrolling, campaign finance payoffs, media manipulation - no longer seem polized by brilliant capitalist merely attendant and correctable but endemic to the sys-These worries may prove, tem, and dissuade idealists.

in time, to be completely mis-Could ogly, eloquent Abplaced. The generation that raham Lincoln, whose prose followed the revolution, after style was biblical and not all, produced an abundance of cleverly commercial, be public beroes: William Lloyd elected president today?

Garrison and Sojoumer Meanwhile, the public's Truth, Andrew Jackson and interest in politics, as meas-Henry Clay, Daniel Webster and John C. Calhoun. ured hy steadily declining election turnout, has vastly As the smug excesses of eroded.

Yet historically Americans have felt a need for national political heroes to guide them velt, Woodrow Wilson, Euthrough critical times as well as to vindicate a sense of shared political commitment. Are such incipient heroes out stage. It is possible that their there today? If there are, will they be recognized, and can they make a difference, in Still, there are reasons for today's political climate?

Although we Americans have our share of problems, oo great troubles or moral crises appear on the horizon just now. To reverse the old Chinese curse, we are hlessed to be living in uninteresting

And so, perhaps, we are getting leaders suited to those times. But times change, and one wooders whether our store of heroic leadership can

be replenished.
More grievously, one wonders whether, after so much cynicism and glitz, the public ers. The country still has the capacity to unite in times of brief, alarming crisis; during President Bush's Gulf War. for example, or following the bomhing of the federal building in Oklahoma City.

But who's to say that this would hold true over the long haul, amid troubles that do not end so fast, like the Depression or World War II? Who's to say that even Roosevelt himself could have led our jaded body politic through the sorts of crusades some of us look back oo now with nostalgia?

The writer, a professor of American history at Princeton University, contributed this comment to the Los

# South Africa's Other Racism: Blacks' Hatred of Whites

By Sindiwe Magona

uletu, South Africa, nearly five years ago highlighted a seldom meotioned legacy of apartheid: the deep-seated racial hatred that four young men convicted in the killing gives us a chance to take stock and ask whether harboring such hate does us any

Amy Biehl, everyone agrees, died because she was white. Racial hatred motivated

### **MEANWHILE**

the whole mob that set opon her that day in August 1993, not just the four men jailed for her murder. But racial hatred in South Africa was not then, and is not now, confined to those who were part of that mob.

All South Africans killed Amy Biehl, for we allowed, even encouraged, the climate that made the attack possible. White hatred of hlack people in South Africa resulted in higotry's becoming law — apartheid. The reverse of this, hlacks' harred of whites, may not have achieved such institutionalized stams, but that is not to say it does not exist.

To the contrary, it is abundant in black folklore: It can be found in our jokes, in our stories, in the songs and oral histories of hlack townships, villages and squatter camps. And the carelessness with which we talk about white people, in a far from flattering light, in the presence of very young children ensures that these negative sentiments will be ingrained in them, that they will grow up knowing that ohelungu are hotrible people who have no hearts, who

have done all manner of evil toward us. Black South Africans may feel that they have a right to this hatred, that the country's history justifies it. Indeed, ours is a history of white exploitation of blacks - long before apartheid, as well as during that era and beyond. Yet has the time not come for us to move on? Does harboring this hate advance the cause of the nation one iota?

The war cry during the days near apartheid's end — "Boers are dogs!" was a variation on an old theme, whispered harshly in times of peace, spat out during private outpourings of anger and frustra-tion, spoken far from the white person who provoked it.

But has the time oot come for us to examine the nature and function of these feelings? There will be no end to the violence in South Africa so loog as we fail to acknowledge the racial hatred.

Acknowledge. Examine, Act. Violence. both inter- and intra-racial, seems to be increasing.

NEW YORK — The murder of Amy
Biehl, an American student, in GugMandela said on a trip last month to the troubled KwaZulu/Natal Province, "and I have seen people with cracked skulls, others shot in the mouth." Much of this was many South African blacks hold for whites. black-oo-black violence. Harred is corro-The granting of amnesty last week to the sive and turns inward, destroying especially those who harbor it.

The hatred has to be acknowledged. That is the first step toward change. Then proceed to the next step: How do these feelings serve us? Are they helpful? Do they advance us in any way? Or do they derail us from our chosen path, distract us from the goals we have set ourselves? Whatever insights we gain from such open discourse can then lead us to the third step in our program of healing. Act on insights gained.

The murder of Arny Biehl brought an overwhelming outpouring of grief and out-rage. Support for the Biehl family came from all sectors of the population and from people in all walks of life. However, it did not admit that racial hatred was a cancer in the very core of society.

Now, the Truth and Reconciliation Commission has granted amnesty to the four young men jailed for the killing. The judges said that the four youths had subscribed to the belief that whites were their enemies. "At that moment, to them, Amy Biehl was a representative of the white community, the judges said.

In a remarkable show of compassion, Army's parents have supported the commission's decision. What is more, they have expressed the hope that these young men 'will receive the support necessary to live productive lives in a conviolent atmo-

If the miracle of 1994 will not be betraved, the ultimate freedom the people of South Africa must give themselves is freedom from hate.

Past wrongs will not be redressed through mindless violence, hlind hate, lawlessness and hrutality. Rather, concerted corrective action is called for, And the first step toward that is acknowledging the hate - and then letting go of it. Only then can our energies be truly harnessed and redirected toward healing and the huilding of a oation.

If even half of the outrage of August 1993 could be channeled into concrete action, the country would certainly inch toward the ideal state that Amy Biehl's parents envision. But there can be no cure notil there has been a diagnosis. Acknowledging our cancer is the first step, the prerequisite.

The writer's fifth book, "Mother to Mother," was just published in South Africa. This comment was contributed to The New York

# FDR: A Giant Despite His Disability

ST. BONNET DU GARD, France— The presidency of Franklin Delano Roosevelt was unique in many ohvious ways. He was elected four times, serving usually remember the American presa huge domestic crisis. FDR had both, could ever return to active life.)

the Depression and World War II. When FDR was president, from March 1933 to April 1945, it was not a secret that he had had a severe bout with polio. But the extent of his disability was not well known. Not only could he not walk, hat he could not stand without braces that ran the entire length of.

In those days, people were generally, inhibited about referring to someone's disability. The rare reference to him as "a cripple" was meant to cripple FDR politically, and it always backfired.

Oddly enough the public today may be less aware of FDR's disability than the public was when he was alive. But it is essential that people know of his disability. Not to grasp that we, the Amer- the stiff upper lip tradition. ican public, overwhelmingly supported a severely handicapped leader in the White House is to completely miss one of the extraordinary events in the history

of American democracy.

FDR the man cannot be understood without comprehending that he was crippled. He could have died from the severity of his polio attack in 1921. As it lots of photos, but not before. Jourwas he lost all movement in his legs and nalists, with whom he met regularly, even some strength in his right hand. For never talked to FDR about the fact that six to seven years he tried to regain some be could not walk. It would have been use of his legs, but his success was rude to raise the topic with the president

polio, when the extent of FDR's dis-ability became generally known in polit-ical circles — it could hardly be hidden Appearing in public pr

By Curtis Roosevelt

ceptions to this opinion were Louis just over 12 years before he died. We Howe, FDR's aide, and FDR himself. (Eleanor Roosevelt supported her husidents who had a war to contend with or band's ambition but donbted that he

When FDR successfully returned to politics in New York state, he was vastly relieved to find that his disability seemed to have had little impact on voters. FDR's opponents found that labeling

him a cripple was a nonstarter. When FDR ran for president in 1932 he and his advisers again worried about the impact of his disability, but it turned out to be an issue of no consequence. As a campaign issue it oever surfaced during FDR's career.

This does not mean that FDR was open or casual about his inability to walk. On the contrary, he wanted little or no mention of it, particularly any comment that conveyed sympathy. "Sob smff," he called it. He was very much of

In short, FDR was extremely sensitive to anyone's calling attention to his infirmity. His family made oo mention of it except if some practical arrangements were to be made.

The press tacitly agreed to not take pictures of FDR in his wheelchair. When he was settled in his chair there would be Within the first year of contracting useless legs. In those days people had a more impressive.

future was written off. The only ex- when the president had to put on his Tribune.

heavy braces, required planning. By swinging his hips, which pushed his legs forward, leaning on a cane with one hand and gripping the arm of a sturdy companion with the other, FDR seemed to be walking. Thus he was able to navigate could even accept such leadthe few steps to a podium or to greet official guests when protocol required

nerds like Bill Gates?

the Gilded Age mounted in

the 1880s and 1890s, such

figures as Theodore Roose-

gene V. Debs and W.E.B.

DuBois were preparing to clamber onto the national

like will turn up again in the

concern. Previously, despite various ills attendant to U.S.

politics, there survived an

ideal that public service was a

vears to come.

Although FDR was no longer concerned about political opponents using his crippled condition against him, he was sensitive about his personal privacy. He remained vulnerable in spite of the confidence he radiated.

There is perhaps another reason for FDR's desire to minimize the appearance of his crippled condition. Probably oo president has been more conscious. more astate, in gauging the public's response and reaction to him personally.

He knew instinctively that American voters did oot want to have the president's disability throwo in their faces. As the years go by, fewer and fewer

Americans will appreciate the fact that their forebears were quite happy to elect a handicapped person as president of the United States. We cannot allow this comment the memory of FDR's disability to fade Angeles Times. even more. A full picture of this ex-traordinary American political leader must be given.

We must grasp the fact that every day the president could oot get out of bed, get dressed, reach the bathroom or get to his desk without the assistance of another persoo and a wheelchair. He was totally dependent upoo both. Considering these restrictions, FDR's extraordinary leador even to seem to be aware of his ership and achievements become even

The writer, a grandson of President ical circles — it could hardly be hidden in public appearances — his political roblems for FDR. Such occasions, comment to the International Herald

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# LETTERS TO THE EDITOR

### **About Clinton**

To dig into peoples' per-sonal lives to determine whether they have had extramarital sexual relationships, and with whom; to investigate what kinds of books people. read or give as gifts; to analyze of America. It is on that youth clothes looking for traces of that the moral regeneration of sperm — all this is a clear an already hlighted America invasion of privacy. To invade and intrude upon privacy with the support of the judiciary is

the way to a police state. l believe that Kenneth Starr's investigation and procedures have infringed upon the privacy of a number of people, including of course the president of the United States. It is frightening to imagine what Mr. Starr will do next. FERNANDO ALVAREZ

QUINONES. Madrid.

"Presidency Regarding Under Siege: Enough Is Enough" (Opinion, Aug. 3) by Arthur Schlesinger Jr.: I read Mr. Schlesinger's ar-

President Bill Clinton is that people cannot accept found to have had sex with MICHELINE COURTY Monica Lewinsky, and thus to have lied under oath and to the nation; he will have set a terrible example for the youth that the moral regeneration of

ROBERT A. CLARKE. Fleurance, France. Regarding "Starr Transforms the Presidency Into a

Kind of Purgatory (Opinion, absurd. Of course future presidents will be able to talk to they feel the need to do so. ed development of democracy Those conversations will cause no problems as long as they do not mention anything that is against the law, such as

suborning perjury. There lies the crux of the matter. Most people could not raised about the aptitude of care less about Mr. Clinton's America's governing institu-

ticle with some astonishment. private life. It is the possi-The point he misses is that if bility that he might have lied MICHELINE COURTY.

Can a foreigner be allowed to express his concern about the events taking place in and around the White House?

innocence of President Clin-

tions, political parties and Paris. that will suffer.

Regardless of the guilt or

ton in the Monica Lewinsky matter, the political consequences of a possible impeachment or resignation would reach far beyond the borders of the United States. It would jeopardize the prestige July 31) by Jeffrey Rosen: would jeopardize the prestige
Mr. Rosen's reasoning is and authority of the nation that has played the major role in leading the world to peace and aides and friends whenever in promoting the imprecedent-

throughout the world. If, once again, a man twice elected by his compatriots to and is especially profound in the most important joh on the planet is found unworthy of their trust, doubts will be

democratic procedures to choose the right man for the joh. It is not only the individual concerned but the function of democracy itself

FRANCOIS DE ROSE.

Rape Survivors Regarding "No Answers From Bosnia Rape Case"

(July 30): The article highlights some of the special difficulties facing survivors of rape in the context of war. At our foundation we see more than 2,000 torture cases each year from more than 90 countries. Many are rape victims.

The shame of rape

deeply felt by all of the victims who come to as for help certain populations due to religious and cultural factors. However, it is not the case that rape victims are so disturbed by their experiences that they are too confused to recall details about the crime committed against them. Quite the opposite is usually true: The deed in all its detail has been seared into their flesh and memory and they relive it every day.

Without prejudice to the Croat soldier accused of aiding and abetting rape in the case now before The Hague tribunal, I wish to point out that state perpetrators often accuse their victims of inveoting or imagining the crimes.

Let me be categorical: To be treated or counseled for the aftereffects of rape or other horrendous crimes does not mean that the victim's judgmeet or memory is confused or subject to suggestion. SHERMAN CARROLL

London. The writer is the spokesman for the Medical Foun-

dation for the Care of Victims



# INTERNATIONAL

# U.S. Charges Milosevic **Broke Kosovo Promise**

# Serb Reneges on Aid, White House Says

WASHINGTON -- The White

House charged Tuesday that President Slobodan Milosevic of Yugoslavia had violated a promise on Kosovo refugees, and it said the United States and its allies were working on options for action in the

"The humanitarian situation is be-coming of increasing concern to ns," said a spokesman, P. J. Crowley.
"President Milosevic pledged late

last week to allow greater access for humanitarian workers to address the situation with respect to displaced," he said. "So far, his words are not backed

fled their homes in the province, where Serbian troops and police units have available on the latest clashes. But the launched an intensive assault on ethnic pro-Albanian Kosovo Information Cen-

The UN High Commissioner for Refugees said Monday that 35,000 speople had fled their Kosovo homes in the last two weeks, raising to an estimated total of 180,000 the number of area controlled by the ethnic Albanians, was "fally believed." but he Serbe and

On Monday, the North Atlanoc Treaty Organization and the United States drew closer to calls for internadonal intervention after reports that the refugee exodus in the separatist Yugoslav province was bordering on a

"Catastrophe."
"NATO contingency planning continues," Mr. Crowley said. "It's at a very advanced stage. Meanwhile, we

sands of ethnic Albanians who had fled Serbian attacks on their villages. Ethnic Albanian sources claimed the sealed-off Drenica region was "in

The reports indicated that Serbian forces were showing no signs of re-lenting despite President Milosevic's

promise last week to stop the offensive.

The continued fighting stymied plans to send aid to ethnic Albanians near Malisevo, a former stronghold of the secessionist Kosovo Liberation Army, where thousands of people songht shelter in the woods after the attacks of recent days.

'We cannot go into a battlefield," About 35,000 Kosovo residents have said a UN spokesman, Kris Janowski. ter said Serbian forces were attacking central Kosovo from the direction of

refugees and displaced persons in the was "fully blocked" by the Serbs and speculated about heavy casualties.

The ethnic Albanian center also said 2,000 civilians tried to flee over Mount Prokletije to Montenegro overnight but Serbs opened fire on them.

It was not clear whether there were any victims.

Christopher Hill, the U.S. ambassador to neighboring Macedonia, ventured to battered Orahovac, a town captured by Serbs last week, to assess the conditions continue to watch a variety of opoions on how to deal with the situation."

Heavy fighting in central Kosovo on Tuesday prevented international aid ngencies from reaching tens of thoufor a return of refugees. "Some people have begun to return, but if we're going

# KOSOVO: Confusion on How to Respond

### Continued from Page 1

series of demands on June 13 by members of the Contact Group of six Western nations concerned with the Balkans has never been fulfilled, including a call that the Belgrade government "cease all ac-tion affecting the civilian population," permit an unimpeded supply of human-trarian aid to the region and allow con-tinuous monitoring of the events in Kosovo by diplomats.

Two and a balf months later, such Western saber rattling, which culminated in a highly publicized five-hour demonstration of NATO air power over nearby Albania and Macedonia, has not

been repeated.

And the angry diplomacy ago, when Britain proposed a United Nations Security Council resolution that would have cleared the way for possible military strikes, ebbed and never flowed

While rhetorical expressions of Westem concern have come and gone, one of . the many players in this diplomatoc and military tangle has never faltered: Slobodan Milosevic, president of rump Yugoslavia, has, through diligent hut consistent effort, been able to place the military leaders of the insurgency in a vise. Now, he is beginning to turn the

In the last few days, more than a dozen villages formerly held by the rebels have been shelled into submission - or the state of destruccion and depopulation that counts for submission.

Jablanica and Smonica, villages in western Kosovo that had been furiously fought over, fell to paramilitary police units on Monday. A highway between the capital, Pristina, and the town of Prizren came under police control in the afternoon, after a series of battles destroyed houses along the route.



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HIS BURLING HARLS NEWSPAPER

percent of Kosovo's population but con-

orous assault on the Kosovo Liberation Army so its extremist leaders will lay down their arms and sign a deal that grants Kosovo some autonomy — but not the independence that most of the

population craves. U.S. officials deny that any Western man, James Rubin, recently dec and his country.

They say that the lack of action to stop the Yugoslav assault cannot be explained so simply. Rather, they say, its roots lie in several factors.

The Yugoslav government initially said that the principal aim of its current offensive was to regain control of the major highways in Kosovo, a goal that many Western military officials said they considered reasonable. "Every naoon has the right to control its highways," said a high-ranking U.S. official as the offensive got under way.

But in Kosovo, the idea seems absurd or at least impractical. The highways run through remote canyons and hills that can be readily seized by the rebels, however briefly.

Pristina-Prizren road said with a sigh: "Every day we fight to get it, and then during the night the KLA takes it back. We are fighong again to get it again." Moreover, last week's offensive not

only targeted highways hnt sought to crush every major rebel headquarters and capture or kill as many rebels and sympathizers as possible.

Serbian forces overran the town of Malisevo, a rebel stronghold. They are continuing the siege of another at Ju-

having been provoked by the Kosovo Liberation Army and as being aimed solely at defeating it. At the outset of the offensive, for made, it would take the wind out of Mr.

trying to hold on to the town.

trol none of its levers of power, have an explanation for what they see as a recent disastrous turn of events.

It is due, they claim, to "the green light" — an alleged secret decision by Western governments to support a vig-

nation could have made such an encouraging offerto President Milosevic. a man who the State Department spokeshad "done great damage to the world

As a police commander on the

The Serbs have cast their action as

tried to take over Orahovac, which the Serbs attacked with overwhelming

criocize President Milosevic's forces for Perhaps the chief reason Western governments have been reluctant to intervene to halt the offensive is that none shares the aspiration of virtually every Podesta, is a senior White Honse of-



# IRAQ: Chief UN Weapons Inspector Leaves After Talks Fail

Continued from Page 1

that they had no further information on the stalled talks and declined to speculate whether the show of obstinacy hy the Iraqis was a ploy to rally support against Mr. Butler, whose frank style

The Iraqis once again staged a funeral procession for 35 Iraqi children outside the building where Mr. Buder and Mr. Aziz met. Their parents said that the children had died because of sanctions.

The Iragis accused the United States pay for food and medicine. UN officials countered that a loosening of the sanc-oons had increased oil sales sharply and allowed hundreds of millions of dollars in medical supplies to reach Iraq. They said it was the Iraqi government that recently reduced a UN proposal to raise

caloric intake in food distribution.

phasing-out of sanctions should the Seof "wrecking" the program under curity Council acknowledge that every which limited oil sales are permitted to detail about Iraqi weapons wili never be known and that enough progress had been made to warrant a relaxation.

In June, Mr. Buder, under pressure from the Security Council, provided Iraq with a "road map" of steps to take to meet his disarmament requirements.

The collapse of this round of talks leaves little room for averting tensions The Iraqis have been encouraged by when sanctions are reviewed by the Russia, France and China to bope for a Security Council in October.

# BABIES: 2 Infants Were Switched and 2 Families Face Dilemma

### Continued from Page 1

"I've lost so many people in my family, I'm kind of numb," said Linda Cam-den, the cousin of Rebecca's father, Kevin Chittum, saying she cried when she saw the resemblance between Rebecca and Paula Johnson. "We've had a lot of tragedy in the family. We've been

On Monday, relatives of Rebecca the crash - said they wanted to keep the child. They also said they had been told that Paula Johnson feels the same way and does not want to uproot the chil-

Paula Johnson's attorney was quoted as saying that "all the parties have come together." There were indications that each family would be permitted to develop a relationship with the children.

'We anticipate a situation where privately the families, working together, vill be able to resolve the situation, Michael Irvine, the lawyer representing the Chittum relatives, said Monday. "The families are saying they want to do what's best for these two children."

[At a press conference Tuesday, Ms. Johnson said no decision had been made on wbether the two girls would be exchanged, The Associated Press reported from Charlottesville. She said she hoped to work out the question of custody and visitation rights with the extended family of Rebecca Chittum, and that she wanted

test results last month, determined that proved procedures.

Ms. Johnson's baby and another girl born on or about the same date at the hospital were switched at birth, despite security measures that normally include coded identification bracelets worn by mothers and their babies.

A criminal inquiry has been opened by local authorities.

raised Rebecca with Mr. Chittum and who have been taking care of her since was killed in the car crash, from their brief time together in the maternity ward three years ago. She said she lonked forward to meeting privately with Rebecca and her relatives. "Words cannot express the way I felt when I learned Sunday night about my hiological child," Ms. Johnson said. "I

remember Whitney from the hospital as a warm and enthusiastic person. My heart goes out to the families for their losses. Their pain is more than anyone should have to bear." If Paula Johnson decided to press for

custody of both her hiological daughter and the child she has raised for the last three years, legal experts say she might well win custody of both.

Officials at the University of Virginia, meanwhile, said they do not know how or why the switch happened, but they insisted again that it was not an accident.

"We are 99.9 percent sure that it did not happen accidentally," said Robert Cantrell, vice president and provost of health sciences for the university. Mr. only what was best for the children.]
Officials at the University of Virginis
Medical Center, shown Panla Johnson's
Cantrell said he based his assertion on hospital records and his confidence that employees carefully followed the ap-

Lawyers for the Chittum and Rogers families challenged the hospital's as-sertion that foul play was likely. They said they have seen or heard of no evidence that would suggest something like that happened. The lawyers also said their clients do

not remember anything amiss with the In a statement Monday, Ms. Johnson bracelets that bahies and mothers are supposed to be given at the hospital shortly after hirth. They said the family has a videotape of the day Rebecca was born, showing the bracelets being put

Questions about the bracelets had been raised last week by Paula Johnson, who said a bracelet was not placed on her baby in her presence in the delivery room, a violation of hospital policy. Doctors at the hospital said medical

records showed that identification hracelets were put on both mother and danghter, and procedures call for the hracelets to be attached at the same time. The records do not specify that the

hracelets were attached at the same time: there is simply a notation saying bracelets were attached, hospital officials More than a week ago, university of-

ficials visited members of the Rogers family to break the news and take a blood sample.

Mary Watts, Rebecca's great-aunt, said she was devastated when she learned the news from Rosa Lee Chittum, Kevin's mother.

"How can all this keep happening to one family?" Mrs. Watts recalls she asked Chittum. "She said, "We hope it's

# CLINTON: Chief Justice Denies Appeal on White House Lawyers

example, rebel units were said to have Starr's investigation and greatly improve Mr. Clinton's chances of escaping

It was hard, one senior U.S. official ing majority of Democratic officials it said, for the Clinton administration to had interviewed, including senior aides and consultants, said that it was crucial for Mr. Clinton's political survival that be not lie in his testimony on Aug. 17. It quoted a Democraoc consultant,

October, most members won't know where to go or what to do," he said. Their first instinct will be self pre-

nons of possibly criminal matters.

by attorney-client privilege. Charles Ruff, the chief White House counsel, said that

idential claim of privacy.

On July 17, Justice Rehnquist upheld vice agents could not invoke a "proshares the aspiration of virtually every ethnic Albanian in Kosovo — to win an independent state.

Podesta, is a senior White Honse of nons of possibly criminal matters.

The White House had contended that a president's confidential conversations tective function' privilege to avoid testifying about what they had seen or president's confidential conversations heard at the White House.

### Continued from Page 1 hut also wanted the affair resolved well with White House lawyers were protected before the election. with White House lawyers were protected by attorney-client privilege. Charles Ruff

impeachment proceedings.
Reuters reported that the overwhelm-

Tony Podesta, whose brother, John

"If this hlows up in September or

Chief Justice Rehnquist's decision on Tuesday represented the latest of several court victories for Mr. Starr. The chief justice accepted a lower court's finding that government lawyers, whose ultimate employer is the taxpayer, not the a lower court's finding that Secret Serpresident, must respond to investiga-

attorney-client privilege "is a bedrock principle of our legal system."

But Justice Rehnquist supported the appellate panel's finding that "the public interest in honest government and in exposing wrong by government offi-cials" onght to prevail over any pres-

# CONGO: Rebel Forces, in Replay of Last Uprising, Move Swiftly in Bid to Unseat Kabila

### Continued from Page 1

right to land ownership or citizenship. And Mr. Kabila, emerging from almost three decades as an underground opponent of Marshal Mobutu, expected, in knocking off the old dictator, to usher in a new era in the nation's political life as a moralizing reformer and national hero.

same emhittered actors in a mood for settling scores. 'What is so cerie about this is seeing the exact same confluence of events in influences as in 1996," said Peter Rosenhlum, an expert in Congolese af-

turned out as planned, leaving all of the

fairs who is projects director at the Harvard University Human Rights Project. Again you have the flare-ups with the Banyamulenge. Again there are dis-

Mr. Kabila, whose troops' march

across the country was applauded by a years, saw his honeymoon end abruptly when he entered Kinshasa in May, 1997.

moralizing reformer and national hero. Ordinary Congolese decried the ar-ln fact, none of these things have hitrary style and hig living of the newcomers, whose early energies were spent requisitioning the largest villas and finest cars they could find. Most shocking, though, was the discovery that in lieu of a true national liberation force, Mr. Kabila had surrounded himself with and depended almost entirely upon Rwandans and Congolese Tutsi soldiers

and advisers. putes over serious security issues in the far east. And again you have a clear in Kinshasa, suddenly filled the capital

population desperate for change from the elements from the senior army comcorruption and poverty of the Mobutu mand, and from his own political movemand, and from his own political movement, the Alliance of Democratic Forces for the Liberacon of Congo.

greatly increased distrust already growing between Mr. Kabila and his erstwhile back against Mr. Kabila. sponsors in Rwanda and Uganda.

Beginning early this year, with that Rwanda has been ferrying arms and Congo's Tutsi feeling increasingly excluded from power in Kinshasa, Mr. rebels and even backing them on the Kahila began facing one small revolt ground," said one European diplomat. after another by Banyamulenge soldiers Of markedly different appearance or militia members in the far east. What one we were asking when Kabila started was missing hitherto was the strong out; is this mainly a hid to overthrow the was missing hitherto was the strong out: is this mainly a hid to overthrow the backing of a neighboring state.

cross-border provocation with Rwanda where they quickly came to be seen as an ternational aid workers and other experts huffer zone in eastern Congo?

denying that it is in anyway involved in the troubles." arrogant occupation force. Mr. Kabila, in Congolese affairs, that outside push sensing that his own poliocal fortunes came last week after Mr. Kabila, without lay in the balance eventually responded, warning, ordered the expulsion of early this year, by purging many Tutsi Rwanda's several hundred remaining

Publicly, Rwanda played down the spat, even insisting that the sudden withdrawal of its advisers had been planned That measure, combined with deep misgivings over Mr. Kabila's inability to stoprebel activity against their countries. almost immediately by Rwanda to strike

There can be little doubt this time The only question that remains is the government in Kinshasa, or is it also an According to Western diplomats, in-

# **Palestinians** Reject New Israeli Plan On Pullback

JERUSALEM - The Palestinians have rejected an Israeli proposal to make part of a West Bank withdrawal a restricted "nature reserve" with no Pal-

stricted "nature reserve" with no Palestinian police presence, leaving it unclear Tuesday whether the sputtering
peace talks would go on.

The president of the Palestinian Authority, Yasser Arafat, said that Israeli
negotiators brought nothing new to a
meeting Monday night and that the Palestinians were "studying" whether to
continue the talks.

Specimen in the West Bank town of Speaking in the West Bank town of Ramallah, Mr. Arafat said the Israeli proposal was "very far" from the existing Israel-Palestmian agreements or

from an American initiative for an Israeli withdrawal from 13 percent of the West

Mr. Arafat's spokesman, Nabil Abourdeneh, called Monday's meeting 'a waste of time. "a waste of time."

But Israel's prime minister, Benjamin Netanyahu, said in Ierusalem that the Israelis had presented "substantive" proposals to the Palestinians that he believed could bring the talks to a conclusion. "But they have different calculations on their side," he said.

Mr. Netanyahu and other Israeli officials did not elaborate on the proposals

The chief Palestinian negotiator, Saeb Erekat, and the Israeli envoy, Yitzhak Molcho, met for several hours Monday night in Jerusalem but did not speak to reporters afterward. Mr. Erekat briefed Mr. Arafat on the talks late Monday

After months of stalemate during which the United States failed to win Israeli backing for a 13 percent withdrawal, Israel and the Palestinians returned to the negotiating table two weeks

A Palestinian negotiator, Hassan As-four, said that proposals like Israel's latest would "lead to the end of talks" and warned, "If the Israell proposals stay along this line, then there is no need for further meetings."

# BRIEFLY

# Saudi King Gains After Colon Surgery

RIYADH - King Fand of Saudi Arabia will be discharged from a hospital in "two or three days" after minor surgery for an inflamed colon, a Saudi official has report-

"The king's health is good," the

official said. The king was hospitalized Sunday. King Fahd, believed to have been born in 1921, has reigned for 16 years. (AFP)

# Abacha Aide Held **On Fraud Charges**

LAGOS — Ismaila Gwarzo, the top national security adviser to General Sani Abacha, the late Nigerian dictator, has been arrested and charged with widescale fraud and corruption, a Lagos newspaper said

. His arrest came a month after he was dismissed by Nigeria's new military leader, General Abdulsalam Abubakar.

General Abacha died in Lagos of

an apparent heart attack in early

# Colombian Leftists On the Offensive

BOGOTA - Leftist rebels unleashed a wave of attacks overnight, making a show of strength before the inauguration of a new Colombian president, leaving at least 27 people dead and dozens injured, anthorities said.

Guerrillas detonated car bombs in major cities, stormed villages; attacked police posts and pounded army bases with mortar fire in half the country's 32 provinces. The dead included civilians, se-

carity force members and rebels,

sources in the army and police said. President Emesto Samper's fouryear term ends Friday and he will hand over power to Andres Pas-The country's main guerrilla groups refused to negotiate an end

# they will negotiate with Pastrana U.S. Finds Abuses At Mexican Factory

to their uprising with the Samper administration, but they have said

MEXICO CITY - For the second time in 1998, the U.S. Labor Department has found evidence of labor rights and safety abuses at

Itapsa auto parts plant in Mexico City, a subsidiary of Connecticutbased Echlin Inc. will be discussed by labor secretaries from the two (AP)

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Mexican factories. The alleged violations at the 

Edward Peel and Sue Johnston in Simon Bent's "Sugar Sugar" at the Bush Theatre.

# Believe in Miracles? Try 'Cabaret'

By Sheridan Morley

ONDON - In the reviewing husiness miracles don't come that often, so to get two in a traditionally slow August week calls for some sort of celebration.

The first miracle can be found an hour or so due west of London. Outside Newbury, the tiny Watermill Theatre (alongside the Mill at Sonning, one of the two most enchanting riverside playhouses in the world) has recently been struggling. for its life against a highway and a funding gap. The highway is alas now on its doorstep, but the local council, perhaps already feeling guilty about what it bas done, has at least guaranteed the theater's financial future through the millenninm, and the show currently playing there is far and away the best version of John Kander and Fred Ebb's 'Cabaret'' that I have ever seen.

And I must, over 30 years, have seen at least a dozeo, incloding the original 1966 Broadway "Cabaret," overhlown and over-dominated by the great Lotte Leoya who kept inadvertently reminding us that it wasn't quite as good as "The Threepenny Opera" by her late husband, Kurt Weill. Theo there was the 1969 Loodon version, not helped by the absence of Joel Grey, and most recently the Donmar Warehouse version, which is oow running on Broadway but perhaps overly fixated

oo the Nazi subplot.
What the director John Doyle has realized is that "Cabaret" is aboot so much more than just the coming to power of the Nazis in 1934. The sobplots involving Sally Bowles, and Cliff, and the Master of Ceremonies, and Herr Schultz and Fraulein Schneider all had equal importance in Christopher Isherwood's original "Berlin Stories." and Doyle has oow restructured and realigned the show to look more like a cating only eight, all of whom double and Ringo and Bert.

By Anthony Tommasini

important opera company is al-ways an event. But what brought critics

from across the United States and

ahroad to the Seattle Opera on Sat-

urday night for the premiere of the company's oew production of argu-

and Walther. The expectations were

disappoint. These fine artists have waited until the right ages to take on these roles: Eaglen is 38 and Heppner

enough to sound fresh and leave many

The Seattle Opera has been an im-

company came through for them, pro-

Francesca Zambello, which will very

phrasing. But you must have uncom-

mon stamina and soaring power for Isolde, and Eaglen is the first soprano

since Nilsson to make singing the role

seem natural. She has warm, vibrant

sound and full-voiced high notes that

slice easily through the thick orches-

richness of her pianissimos.

likely engender divided reactions.

years for enrichment.

EATTLE - A promising new

production of Wagner's daunting "Tristan und Isolde" hy an

 $i(x,A):=\widetilde{B}(x)$ 

treble roles while also playing all the instruments in the nightclub's pit band.

On the Watermill's tiny stage, now converted to theater in the round with the audience sitting, as they were at the Warehouse, at nightcluh tables, we are closer to "Cabaret," and the results are ost dazzling. By returning Schultz and Schneider to center stage so that we learn to care more about the old greengrocer and the derelict landlady than we ever have, and hy running the score into the plot with no applause allowed after any of the numbers, Doyle has revolutionized "Cabaret" and turned what was always a great musical into a masterpiece. Mike Afford and Karen Mann as Schultz and Schneider, Simon Walter as the evil Master of Ceremonies and Jo Baird as a haunting, waiflike Sally Bowles made of silk and steel all give performances that bave never been and 1 believe will never be bettered.

There have been a lot of "Cabaret" productions around lately, and we are promised yet another for the autumn but Doyle seems THEATE here to have created the first truly music-theater ensemble I have ever seen in this country, and it would be heartbreaking if they did not get the chance to play to a wider audience. Come to this "Cabaret," old chum, for you will oev-

er see another quite like it.

The other miracle is in central London, where Willy Russell's "Blood Brothers" is celebrating its 10th anniversary. When it first opened, I wrote that the show was unmissable and unbeatable, but I'm not sure that even I in my original enthusiasm would have estimated its run at 10 years and still counting. The wonder of "Blood Brothers" is that, like "Cabaret," it is essentially a play with music rather than a musical, and indeed the author, Willy Russell (more famous for "Eduand Shirley play with songs than ever before. Most Valentine"), has only ever written ooe impressive of all, he has found a cast of other, the Beatle parody "John, Paul,

A 'Tristan' for the Millennium

perameot as she brings to this por-

whatever reason, perhaps first-night jitters, ber pitch sometimes edged

And although it now enters the London long-run musicals chart behind only the trio of eternal Lloyd Wehbers ""Phantom of the Opera" and "Starlight Express") and of course "Les Miserables," "Blood Brothers" was originally a sleeper that kept coming and going to and from London be-fore eventually settling at the Phoenix.

Its roots are deep in the myth about twins separated at birth, the one that always served the Greeks and Shakespeare well enough; and although it is unmistakably set in the Liverpool of the early 1980s, "Blood Brothers" remains almost alarmingly topical since oone of its central issues of poverty, unemployment and class warfare have

gone away in the meantime. This is in fact the closest we shall ever get to an English "Threepenny Opera," a harsh folk tale about love and death with up to a dozen brilliant, brittle ournbers, which the producer Bill Kenwright

and his director Bob Tomsoo have kept as sharp as ever they were a decade ago; Lyn Paul oow leads a wondrous oew

· And finally, at the Bosh, Simoo Bent's "Sugar Sugar" is a weird mix of Joe Orton and Harold Pinter, with a bit of Terence

Rattigan thrown in for good measure. Set in a Scarborough seaside boarding house out of season, it consists of some marvelously funny characters all in search of some sort of a plot. Some of these characters are stock (the sexstarved landlady for instance, wooderfully played by Sue Johnstoo), while others are genuinely new comic creations, like the misanthrope who could fill supermarkets with the people he

The plot when it does come in Act Two, all seems to happen at once in kind of a rush, but there's no doobt (oo this evidence and his earlier "Goldhaw) Road") that Bent is that rarity, a oew comic dramatist of considerable promise in characterization if not storytelling.

# Cool Music and Hot Climes

By Mike Zwerin International Herald Tribune

ARIS - Now that more and more Americans have been moving to hot climes, somewhere along the line the musicians among them got the idea that they could create new hot-clime music.

Except maybe for Morris dancing, the roots of the popular music of our day were nourished by hot weather. Its varying shapes worked their way up out of Africa, the Caribbean and Brazil to New Orleans, the Mississippi Delta and Texas. The branches grew new roots like a tropical sea grape tree and went north to market.

But daily life today in the southern United States coosists primarily of sprints by temperate people between air conditioned spaces. There is no reason to expect authenoc bot music to be bom in artificially cooled air. Which does not stop people in Miami, with its peppy influx of Latin culture, from claiming just that.
It was only a matter of time

- rapping in Spanish with Latino licks was inevitable. How long this takes to implode remains to be seen. Right now it's mostly just fashion. With the air of somebody on the inside track. Preddy Garcia, aka Mangu, describes his new self-titled album as "hot weather music.

. He was inspired by Miami Beach. The air-conditioned recording studio was a block from Ocean Drive. The recording process was "real spontaneous," he says with a mock-lecher smile. "You can't help hut be inspired by all those fine hikinis.

Mangu wants kids up in Alaska to put the record on and say
"I want to go to Miami. Now. The party is hot down there." He respects the extreme summer heat in Miami, Sun visors off, folks. Anything that strong has to be saluted.

People ask Mangu: "Are you the new Miami sound?" He laughs: "No. Lots of new sounds coming out of Miami." They are in fact shuffled more than new. New music today tends to be more interesting to read about than to listen to. Young musicians cannot actually do what they talk about doing.

Mangu signed with Island Records at the age of 18 (he's 23). His new album is a mixture of hip hop with such island music as Jamaican reggae, Dominican meringue (a sort of fast rumba) and the Cuban roots music son. (The term "salsa" describes a commercial American hybrid. The industry wants to commercialize it even more and make it more American.) The essence of his music is, Mangu says, Caribbean, He does not claim to be a piooeer. He says he was oot the first one to play Cubano hip hop. His,

excuse the expression, rap appears to have been well coached and he was a good learner. He does not try to come across as tough and street-smart, like up and coming stars in his field often do. The smile is too vulnerable, it would oot be convincing. It's more like a young entrepreneur just beginning to learn how to make friends and money making music. His promo tour goes from Paris to Miami for one day to

change planes and underwear, and then it's off to Buenos Aires for the first time. He has already played Colombia, Venezuela and Costa Rica. The audience response there was, he says, "cool" — meaning hot oot cold. This is his third trip



Freddy Garcia, aka Mangu: Inspired by Miami Beach.

to France, and he returns in October for a 21-date tour.

Having lived in the Bronx through the age of 13, he still has the accent. When the family moved to Hialeah, north of Miami, he was amazed to discover that he could walk for miles around his house andnot speak English. Miami encouraged him to be proud of his Latin roots. He had not exactly advertised them in the Bronx. When he was 18, he heard that Joe Galdo, producer of the Miami Sound Machine, was looking for someone who could rap in Spanish on a tune written by the pianist Paquito Hechavarria. Mangu thanks Galdo (now his producer) for showing him lots of ins-andouts. He listened to reggae rap, he had a brief career as a hip. hop dancer. He experimented with jungle and trip-hop. (He washed cars.)

Galdo's concept involved a salsa piano player with a rapper. He asked bis engineer Cesar if he knew anybody who could rap in Spanish. By the time Mangu met him, Gaido had already audiooned more than a dozen people, none of whom pleased him. Mangu wrote and sang some verses for him. He was laving back doing what he calls "research"; listening to the Fania Allstars and James

Brown and early Afro Cuban bands like Perez Prado and Machito. ("Boy, those cats were intense. It was real conl for me to learn about them.") Wheo Galdo called, he was ready.

Their single "La Playa" was a hit io 1993. The rest of the album took four more years to finish. Promoting it now, Mangu has been traveling with a four-piece band including two percussionists and a bassist. They are all older than he is, they come from the old school.

Mangu loves it when he hears his older musicians jamming to hip hop: "They can really throw down some spicy rhythms on top of hip hop drums. It's like, 'All right! So you guys are enjoying it ton.' In many ways I think they are younger than I am. What spirit! The more I travel with them the more I learn.
Our next album will be more mature. I'd like to take it in a deeper level." Meanwhile, it's party time. The track "Calle Luna Calle Sol," an "homage to Cuba," on the alhum features the legendary Dominican singer, percussionist and co-founder of Fania Records Johnny Pacheco.

ANGU cannot help being attracted to Yankee fusions like salsa/house and meringue/house. It is: all melding into a planetary pop music anyway; Like brand names and stock markets. He's not even trying to avoid crossing over any more. Every now and then, he . goes to visit the Dominican Republic, where he discovers new argot and it sneaks into his Spanish raps: "The older generation down there is preserving the tradition, but there are also young people who left and came back home again. And they bring a totally different lifestyle and language. In many ways, the Dominican Republic is beginning to resemble the States."

Sitting on the terrace of a café, looking at the Louvre through

a chilly summer drizzle, he seems happy to be wearing a pullover. "Uobelievahle!" he exclaims. "I'm in Paris drinking a glass of Cognac. Life is good. I'm getting paid to express myself. It's like, wow! Where am I going to be tomorrow? Seeing things, hearing things, learning things. Cool!"

### **BOOKS**

THE GARDEN AND THE WORKSHOP: Essays on the Cultural History of Vienna

and Budapest By Peter Hanak, 249 pp. \$29.95. Princeton.

Reviewed by Michael Henry Heim

THE goal of these fascinating essays — the swan of the quintessenti song of the late Peter Hanak, a trian Ernst Mach.) preeminent Hungarian cul-tural historian of Central century. In so doing, be also

2 A PIRATE LOOKS AT

FIFTY, by Jistery Buffert 3 A WALK IN THE WOODS.

a disproportionately large number of its seminal isoc wit, makes a case for non, if not the entire riddle. including Einstein and accords him Austro-Hungarian citizenship after the fact, trac- Budapest's rule as workshop ing his rejection of "absoof the quintessentially Aus-

Although no one has yet solved the riddle, Hanak Europe - is to clarify the comes closer than most by relationship between Vienna establishing "a significant (the "gardeo" of his title) and Budapest (the "workshop") in culturally vibrant hut politically stagmant Ausvokes the multiethnic chartria-Hungary at the turn of the acter of the Dual Monarchy and the alienation it fostered tackles the often posed riddle: but goes on to argue that all why Austria? How did it hap- the fine minds in question repen that, in the decade or two before World War I, Austria-ment and, finding no social or Hungary gave the 20th cen-political movement to replace

it, struck out on their own. In them into a contemporary his interpretation Austria is European thinkers and artists: Freud less greenhouse than weed and Wittgenstein, Kafka and patch, but be resolves the con-Rilke, Schoeoberg and Bar- tradiction between cultural vitok? (Hanak, with character- hrancy and political stagna-

against Vienna's as garden? lute" time and space back to He ideotifies the garden, a the phenomenalist relativity place of repose for body and soul, with the concern for the continuity of life and death permeating Viennese fin de siècle, "decadent" culture. A continuity "symbolized by dreams, or Psyche, and love, Eros," it makes Freud very much a man of his place and time. He identifies the workshop with the concern for community and public life among the Budapest avantgarde in the same period, a concern that led the poet (but also journalist - the combination is telling) Endre Ady to proclaim Hungary a country where only "magnates, priests, and donkeys can live." Ady, clearly one of Hanak's heroes, railed against Hun-

keys" of Ady's formulation and the class he was born into), advocating a return to an untainted Hungarian style (for example, the language of 17th-century Calvinist preachers) plus the assimilation of European modernism. Bartok accomplished an analogous feat in music, rejecting catchy pseudo folk-tunes in favor of

What then does Hanak have in mind when he plays off

"magnates, gary's idle, arrogant, hide-bound aristocracy (the "don-

Hanak's essays thus do more than illustrate his thesis; by filling in the cultural context to which the figures be treats belonged, they provide new perspectives on the figures them-

They also accomplish. something quite different. Hanak modestly introduces, the essays as the scholarly equivalent of outtakes: pieces he deemed unsuitable for a volume in a formal "History of Hungary." And in fact, not all the essays deal with cultural titans. Some of the most interesting - and revealing - passages come from discussions of such mundane matters as who lived oo what floor and took up bow many rooms in the apartment houses (most of which are still standing) that turned Budapest into a modern city in the late 19th century, how Hungarians as-similated their Germans and Jews (who together with the apartment houses turned Budapest into a modern city). There are fine chapters on the social and political function of the operetta (unlike the opera, it brought together the most disparate social classes and incorporated a modicum of satirical commentary) and on letters from peasant wives 10 soldier husbands during World War L

Michael Henry Heim, who translates fiction and drama from a number of East-Central authentic Hungarian pentaton- European languages, wrote ic melodies and integrating this for The Washington Post.

### ahly Wagner's greatest opera was the chance to learn if, for the first time sharp. But overall this sumptuously sung Isolde was the real thing. The bright tenorial coloring of sioce the days of Birgit Nilsson and Jon Vickers, two singers have arrived who can truly make a claim to these in- Heppner's voice is ideal for Tristan, comparably demanding touchstone This was the first staged performance of Isolde by the British soprano

Jane Eaglen and Ben Jane Eaglen, who has already established herself as a major interpreter of Brunnhilde in the "Ring" operas. In claim to calling these was similarly the first stage performance of Tristan by the Canadian tenor incomparably hard Ben Heppner, who is already a noted men rieppner, who is already a noted interpreter of Tannhauser, Lohengrin roles their own.

high, and the pressure on them must have been intense. Vocally they did not and be sings the role with ardor, poignancy and clear German diction. He also, of course, is a befty person. But it does not seem to impede the vitality and trim of his singing.

is 42, old enough to have depth, young Although a complete uncut version of the opera was announced, two cots, mostly from Tristan's music, which are often used, were insisted upon by the general director, Speight Jenkins, portant place for both singers, and the after the dress rehearsal: a long passage viding a noted conductor, Armin Jordan, generous rehearsal time and a in Act II sometimes called the "Tag und Nacht" episode, and part of provocative production directed by Tristan's long, exhausting monologue in Act III, about 11 minutes in total. Jenkins and Heppner want to restore the cuts later, but for this first try Eaglen understands that Wagner must be sung basically with the triedcaution seemed advisable. Jenkins and-true principles of the bel canto pointed out that Lauritz Melchior, the tradition: a sense of long line, evenness Tristan of the century, probably never of vocal production and smooth legato

sang the role without cuts. No matter. Heppner will surely gain in confidence in the role. A real Tristan has arrived.

Zambello worked with her frequent portant news remains the emergence of collaborators, the set and costume designer Alison Chitty, and the lighting The audience ovations were dedesigner Mimi Jordan Sherin. The servedly ecstatic. Eagleo and Heppner tration. Most impressive, however, is the elegance of her softer singing, the production, typical of Zambello, is a are to sing the roles at the Metropolitan mixture of symbolism and nonperiod Opera in the 1999-2000 seasoo.

Inevitably with Eaglen comes the realism. The ship on which Tristan issue of ber size. She is a large, thick-limbed woman. Ohviously this limits the Cornisb king, Marke, whom she is her dramatic impact, bot it also some- being made to marry, is a massive, what affects ber singing. I had not gray, stage-filling freighter. The known her to have such fire and tem- walls slide apart to reveal Isolde, a captive below; above sailors swab the trayal. Still, there is sometimes a lack deck with mops, and Tristan broods, of rhythmic incisiveness and energy in conflicted between loyalty to his king her singing that seems related to her and untapped love for Isolde. Clearly, physical sluggishness. And for since this is an opera about internal emotions not external actions, Zambello and her team wanted to frame the lovers in smaller spaces within the larger stage. But the framing device bems the singers in and calls attention, paradoxically, to Eaglen's lack of mobility.

Sometimes the stage effects are just that, effects, the most intrusive of which being the real sizzling flames that leap up and surround the lovers at the climactic moment of their drugassisted passion. It is a smoky, silly and somewhat smelly effect that distracted our attention from ooe of the great

musical moments in all of opera. Some of the imagery was striking, and Zambello remains an excellent di-

rector of singing actors.

She did wonderful work with the excellent young American mezzo-soprano Michelle De Young, who brought a sisterly tenderness to the character of Brangane, Isolde's attendant. And perhaps it took a female director to allow the wounded Tristan and his loyal friend Kurvenal, imposingly sung by the bass-baritone Greer Grimstey, to be so physically

tender with each other. Jordan conducted a spacious and tellingly shaped performance. The playing of the orchestra, though sonorous and full of character, sometimes lacked crisp rhythmic articulation. But the sweep of the conception was always involving.

The fine English bass Peter Rose was moving as King Marke. James Cornelison as Melot, Archie Drake as the steersman and Doug Jones, donbling as the sailor and the shepherd, gave solid performances. The most im-

### **BEST SELLERS**

The New York Times	4 ANGELA'S ASHES, by
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necessarily consecutive.	6 TITAN, by Ross Chernow 7
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Patricia Correvell	8 SHIP OF GOLD IN THE
21 KNOW THIS MUCH IS	DEEP ALUE SEA. by
TRUE by Wally Larmb 3 5	Gary Kinder 8
3 SUMMER SISTERS. by	9 WE ARE OUR MOTHERS
Judy Blume 4 9	Robus 9 13
4 THE KLONE AND I, by	
Danielie Steel 3 5	19 CONVERSATIONS WITH
5 BRIDGET JONES'S DI-	GOD: Book 1. by Neale
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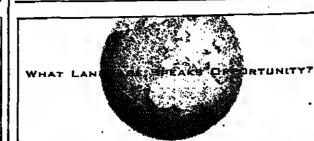
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# Coke's Figures: The Real Thing? Its Accounting Is Questioned

By Melody Petersen

NEW YORK — The Coca-Cola money machine has whirred along for years, producing extraordinary profits for investors.

What helped set it in motion was management's decision in the late 1980s to remove the capital-intensive bottling factories from the company's books and place them in a separate company. The maneuver has proved so successful that archrival PepsiCo Inc., a perennial also-ran, recently announced that it, too, would consider spinning off its bottling unit.

But a growing chorus of financial analysts and accountants are trying to strip the gears of Coca-Cola Co. They say that Coca-Cola and its giant bottling company, Coca-Cola Enterprises Inc., are essentially one business and sbould consolidate their financial statements, an argument not lost on

the accounting rule makers.

A consolidation would immediately cut prises. hundreds of millions of dollars from Coca-Cola's earnings, the analysts say. And Coca-Cola would be forced to reclaim billions of dollars of debt that now resides with Coca-Cola Enterprises.

"The numbers look wonderful," said Albert Meyer, an accountant and investment analyst, about Coca-Cola's financial report-

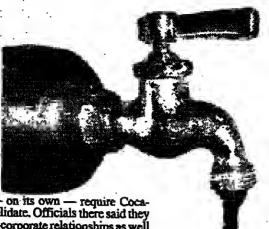
ing system.
'It is almost too good to be true.' To him and others, it is not the real thing. 'It is pretty fake, actually," he said in a

Accounting rules leave some room for interpretation, and Coca-Cola has not been

But the Financial Accounting Standards Board, which sets the nation's accounting rules, has long been concerned that some companies, among them Coca-Cola, may be skirting the spirit of the rules.

So it is now discussing a new rule that would force companies with very close ties to consolidate even when there is a minority ownership — a rule that would apparently force Coca-Cola's hand. Though the board moves very slowly, a proposal is scheduled for release late this year.

The Securities, and Exchange Commis-...



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sioo could — on its own — require Coca-Cola to consolidate. Officials there said they had looked at corporate relationships as well as stock ownership in determining control, but that they could not comment on Coca-

Cola's accounting in particular.

In select cases, they have forced companies to consolidate their financial statements after finding that one company clearly con-trolled many parts of another's business.

Without a doubt, the fates of Coca-Cola and its big bottler are inextricably linked. Coca-Cola recorded \$18.9 billion in worldwide sales last year, compared with \$11.3 hillion for Coca-Cola Enterprises, which accounts for much of domestic Coca-Cola

But the global giant has a market value of \$203 billion, dwarfing the \$13 hillion mar-ket value of Coca-Cola Enterprises. That divergence reflects a decade of superior returns for investors in Coca-Cola and a heavy debt burden at Coca-Cola Enter-

say that Coca-Cola can, to some degree, bolster its bottom line through sales to the bottling company, over which it has much control.

Coca-Cola sells billions of dollars of softdrink concentrate each year to Coca-Cola Enterprises. It has also sold entire operations, including three bottlers last year for at least \$1.6 billion, to Coca-Cola Enterprises. Such sales could not generate profits if the accounting books were consolidated.

Coca-Cola stands behind its accounting. Randal Donaldson, a company spokesman, said that the company was 'absolutely in forced to consolidate accounting because it accordance" with all accounting rules. Fedowns less than 50 percent of the bottling eral securities regulators were informed of the accounting system in 1986, when Coca-Cola Enterprises became a separate company, Mr. Donaldson said, and they did not

The two companies are independent, he continued, pointing out that Coca-Cola Co. has a minority stake, now 44 percent, io the

Because Coca-Cola does not control the bottler, it does not have the option of consolidating financial statements, he added.
This is an old worn-out point of view,

See COKE, Page 15

# Mixed Messages From Japan?

### New Finance Minister Hedges on Tax Cuts and Yen Intervention

By Sandra Sugawara
WithIngton Post Service

TOKYO — Finance Minister Kiichi Miyazawa managed to stem the yen's free fall Tuesday by acknowledging that he had "sent a wrong message" to currency markets last week regarding

But Mr. Miyazawa offered only a vague description of the tax cuts the government would use to help pull Japan out of its worst economic slump since World War II, which raised concem he might be backpedaling oo pledges to make the cuts permanent.

Prime Minister Keizo Obnehi pledged permanent income and corporate tax cms of \$41.6 billion, and after meeting with the tax panel of the ruling Liberal Democratic Party, Mr. Miyazawa said the total package of cuts might exceed that amount.

But the finance minister said the final tax cut plan was not scheduled to be finalized before December. He also declined to call the tax cuts permanent, saying the tax cuts would be maintained until the economy revived. At that time, they would be replaced by

a complete overhaul of the tax system. The top individual tax rate will be cut to 50 percent from the current 65 percent, Mr. Miyazawa said. He did not specify by how much other income

bracket rates would be cut. On the currency issue, Mr. Miyazawa said Tuesday, "I sent a wrong message to the foreign exchange market because my commeous regarding foreign ex-

change intervention were inadequate." "I didn't mean to say intervention was unnecessary," he said. Intervention is "unavoidable to correct market distortions and promote the orderly op-

erations of a market economy."

Mr. Miyazawa's comments belped stabilize the Japanese currency, sending the dollar below 145 yen in Tokyo trading, down from an earlier high of 146

yen — an eight-year record.

Last week, Mr. Miyazawa said that Japan and the United States should leave moves in foreign exchange rates and stock prices to financial markets."

The comments contrasted sharply with previous Finance Ministry pronouncements that Japan did not want excessive yen weakness. Given Mr. Miyazawa's expertise in finance — be

is a former prime minister and has twice headed the Finance Ministry - currency traders assumed the threat of intervention had subsided. They began rapidly selling yen for dollars, despite subsequent statements by Haruhiko Kuroda, the Finance Ministry's international hureau head, that Japan's yen policy had not changed.

Mr. Miyazawa's actions and commeuts have been under close scrutiny because Mr. Obuchi has put him in charge of efforts to revive the moribund economy. Asia's ability to emerge from its economic crisis will depend heavily on Japan's success in turning its economy around.

Despite Mr. Miyazawa's remarks Tuesday, many traders said that they did not think government intervention was imminent because the last two efforts had no lasting impact.

"We all know Miyazawa under-stands markets," said Sadaaki Tsunakawa, general manager of the treasury department of Citibank. "I don't think he bas changed his position. He knows when he should intervene and also when it's meaningless to inter-

# GM Will Spin Off Delphi Auto Parts

NEW YORK - General Motors Corp. plans to spin off its auto parts subsidiary to shareholders next year, a move that could reignite the labor trouhies that led to nearly two months of strikes that ended last week.

GM said Monday it would turn its Delphi automotive parts business into an independent company next year, cresting a new Fortune 25 company worth an estimated \$13 hillion.

Delphi is the largest supplier of auto-motive parts in the world, with about 200,000 workers worldwide.

The move, under discussion since early 1997, drew vocal opposition from the United Auto Workers union.

Richard Shoemaker, the union's vice president for GM issues, said, "Should GM decide to proceed with the sale as announced, the UAW's record is clear: We can and will aggressively work to protect the rights and interests of UAW members impacted by the sale."

The move will further reduce the size of the biggest U.S. antomaker and mark a hig shift away from GM's history as a vertically integrated automaker that made most of its parts and assembled them into finished cars and trucks.

GM is scheduled to hold national contract negotiations with the UAW next summer, and the future of Delphi and its less profitable plants is expected to be a major issue in those talks.

As part of the settlement last week that ended major strikes, GM promised not to sell or close two Delphi brake plants in Dayton, Ohio, and a parts plant in Flint, Michigan, before the end of

It was unclear how Monday's announcement would affect that promise. A major benefit of the sale to GM is that it can turn to lower-cost, nonunion suppliers for more of its pans, just as Ford Motor Co. and Chrysler Corp. do.

Delphi, meanwhile, will be freer to close unprofitable plants and attract

contracts from other automakers. John Smith Jr., the GM chairman and chief executive, said that the automaker wanted to be a company that assembles and markets cars but does not neces-

sarily make its own parts.

The spinoff of Delphi "represents nothing less than a fundamental shift away from vertical integration," Mr. Smith said.

The Delphi move caused Standard & Poor's Corp. to cut its outlook on GM's bonds to negative from stable.

It said that ratings could be lowered in the near term because of concerns about. how the Delphi transaction would affect GM's relations with its unions, "There is considerable uncertainty about the reaction of GM's unions," S&P said.

On the New York Stock Exchange, GM shares closed down \$1,625 at \$69.50. (NYT, WP, AP)

# U.S. Buries Files — and File Clerks, Too

By Linda Perlstein

BOYERS, Pennsylvania - In 1902, when dynamite was first hlasted in the gently sloping hill and limestone was carted away, when the only lights were mounted ou hard hats, and when dust and clay thickened the air, who could have imagined this:

Dilbert calendars. Excel training. 'Look Who's 40' banners. Forcedcheer bulletin boards ("Turn Your Sumbling Blocks Into Stepping Stones"). And cuhicle after cubicle

In a vast, windowless workspace tucked 252 feet (77 meters) under a treestudded mound in western Pennsylvania, the U.S. government processes retirement benefit claims and stores payroll and pension records for every person who has ever been in the government's employ. In some ways this federal office is just like those in Washington, in other ways it's cerily unique.

Many of the 360 accidental spe-lunkers who work here found the cave bizarre at first. And every supervisor has a story about a joh applicant who, in unid-interview, said, "I can't do this." "When I first came here, it was kind of scary," said Melanie Preston, 36, who reviews applications for disability benefits in a cubicle decorated with pink flamingos in Hawaiian leis. "I didn't see any sunshine I thought the walls were going to cave in on me. I still think the walls are going to cave in on me."

The walls and ceilings have been left as rocky as they were when blown out,

Other Dollar Values

namite was crammed in, and the occasional drill bit can still be found stuck in rock. Fire extinguishers and flashlights are hitched to the wall at regular. intervals. In accordance with mine safety laws, small children and open-toed shoes are prohibited. Hygrometers tick off humidity readings atop file cabinets.

Antiseptic fluorescent lights are suspended from the limestone ceiling along miles of color-coded casings: gray for computer cables, red for sprinklers, white for air conditioning, as well as silver air ducts.

Underneath, workers tap away at computers, processing hundreds of bil-lions of dollars in benefits at the Retirement Operations Center.

U.S. Steel Corp. operated the mine until 1953, sending the limestone to steel mills in Pittsburgh. Since the thine was closed, space in it has been offered for lease by a company called National Underground Storage Inc.

The mine is now thought to be the largest facility of its kind in the country. It is navigated by a 70-mile (112-kilometer) network of tunnels

The government uses about 225,000 square feet (21,000 square meters) for the retirement services and another 65,000 square feet for the Federal Investigations Service, which oversees personnel background checks. The records were moved from the overstuffed Pension Building in Washington in 1961 because the cave offered protection from nuclear fallout, low bumidity. secrecy, and room for expansion

**CURRENCY & INTEREST RATES** 

though they have been smoothed a bit by latex paint. There are holes where dynamite). Also, the rent is cheap: \$10 a quare foot today, a third of what si space would cost in Washington.

In eight mammoth rooms, 300 million records are stored in 100,000 drawers in file cabinets stacked 10 high. Each row, and each drawer, bears a handwritten label. Beatrice Gardener to Curtis Z. Garfield. Halene Hatcher to Sharon Havlena. Sandra Newman to Sylvia W. Newman.

The mine is unmarked and invisible from the road. Employees park in a lot and walk a ramp down into the hillside, wind smacking them in the face. In the winter, when you enter, and in the summer, when you exit, glasses fog and hair frizzes instantly. A three-ton steel gate parts for cars, and a guard hands every driver a fire extinguisher.

The tunnels are breezy and cool about 5g degrees, just wide and tall enough for two semitrailer trucks. Much of the labyrinth of tunnels that winds through the mine is developed into a street system, with stop signs, yellowstriped walkways and parking spaces for the lncky few allowed to drive in. Here the walls are lined with beavy steel doors, most labeled only by number, which protect the files and treasures of bundreds of clients besides the federal government.

Inside the federal offices, it is bright. Every day here is casual day, employees need not wear business clothes

The radio is constantly piped through

See CAVE, Page 15

Global Private Banking

# INTELLIGENT CONSERVATISM, VIGOROUSLY PURSUED.



There are as many formulas for success in business as there are businesses. Republic's formula has a time-tested advantage: it works.

It is based on a carefully balanced approach that puts clients' security first. We maintain one of the strongest capital ratios in our industry, a high degree of operating efficiency and an excellent and diversified loan portfolio. All of which results in

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Strength, security, service - the "open secret" of Republic success. It provides what so many people, everywhere, want and need in a private bank.



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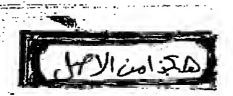
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# NYSE

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Tuesday's 4 P.M. Close The 2,600 most traded stocks of the day

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Continued on Page 16

### THE AMERICAS

# Jury Reviews Archer Daniels Video

By Kurt Eichenwald New York Times Service

nians

companies sat at a hotel conference giant. For it is the crucial evidence Mr. Wilson have argued that Mr. table in Irvine, California, and for sevagainst one defendant, Michael Aneral hours haggled over data they were dreas, the son and former heir apparent and Archer Daniels officials to create

The October 1993 lunch meeting, which brought together two officials from Archer Daniels Midland Co. and two from Ajinimoto Co. of Japan, was no ordinary exchange, according to the its bioproducts unit, which produces U.S. government, but the critical stage lysine. in a conspiracy to fix prices of the additive, known as lysine. And unknown to all but one man in the room,

every word was being videotaped. On Monday, more than three years after government raids disclosed the existence of a huge price-fixing in-

CHICAGO — Top executives from two of the world's most powerful food companies sat at a hotel conference.

The tape has already played a critical dollars from Archer Daniels through a complex fraud.

Daniels, the politically powerful grain Indeed, lawyers for Mr. Andreas and Companies and Companies are a hotel conference.

Also charged in the case are Terrance Wilson, the former head of the company's com-processing division, forts to trick Asian competitors into and Mark Whitacre, the former head of

The government has already secured settle price-fixing charges.

executives. All three have pleaded not he had violated his cooperation agreement by illegally taking millions of

Whitacre manipulated investigators providing each other about sales of a to the company's chairman, Dwayne evidence of a conspiracy. They maintain that many of the recorded conversations involve either innocent business discussions or elaborate efproviding information that would allow Archer Daniels to gauge the size of

the lysine market. At the hearing on Monday, which guilty pleas from some of the exec-ntives involved in the conspiracy and each of the companies; Archer Daniels corded by Mr. Whitacre in 1993 during agreed to pay \$100 million in 1996 to a meeting between senior Archer Daniels executives and officials of vestigation, prosecutors played that videotape before a federal jury that is hearing the criminal price-fixing case against three former Archer Daniels case after the government charged that Mr. Whitacre served as a govern- Ajinimoto. "We have a saying at this

lot of growth companies."

Mr. Manley acknowledged

cern, but he pointed out that

the American economy was

still growing and that the U.S.

government was running a

dget surplus. If a recess

loomed, the government could

increase spending or cut taxes,

There was some indication

of economic weakness on

Tuesday, when the Confer-

ence Board said its index of

second month in a row it has

declined. That was the first

time it has fallen in consec-

in the second quarter, down

from a 5.5 percent rate in the

first quarter. The secondquarter expansion was

however, faster than many

report was released, but they

pared their gains as the day progressed and stocks stabil-ized. The 30-year Treasury

bond was yielding 5.62 per-

Bond prices rose after the

economists had expected.

The U.S. economy expanded at a 1.4 percent annual rate

utive months since 1995.

# Remarks in Tokyo **Stem Dollar's Rise**

sell dollars to bolster the yen. Finance Minister Kiichi step in to the foreign-ex- good for Japan, Asia and the change market when cur- rest of the world. rency moves become "dis-

### FOREIGN EXCHANGE

stemmed the dollar's gain against the yen.

"The remarks put some ket," said Jesse Torres, chief currency trader at Bank Austria. "They're afraid that a weakening currency would cause more problems and feel they may need to come in and defend it."

The dollar was quoted at 4 P.M. at 145.150 yen, down from 145.595 yen on Mon-

Some traders expect the yen to resume its decline quickly and view the dollar's drop as an opportunity to buy the U.S. currency cheaply. Concern that the U.S. and

Japanese central banks might buy yen for dollars also was from \$1.6270.

fueled as Haruhiko Kuroda. NEW YORK - The dollar bead of the Finance Minfell against the yen on Tues- istry's international bureau, day for the first time in five said the yen was "excess-days after Japanese finance ively weak." He added that officials suggested they would Japan was "ready to take appropriate action on the ven when necessary" because the Miyazawa said officials may currency's weakness was not

Many traders and analysts His remarks remain skeptical that Japan will sell dollars any time soon. "Why would the Japanese want a stronger yen, from a macroeconomic point of view?" said Tom Arnold, chief currency trader at Daicaution back into the mar- Ichi Kangyo Bank. "A weaker yen would help exports and help the country get out of a

> The dollar was at 1.7717 Deutsche marks, down from 1.7840 DM, ravaged by a sharp decline in U.S. stocks.

The dollar is moving in sympathy with the Dow, said Rainer Guidon, a manager of foreign exchange at Erste Bank.

The dollar was also at 1.4933 Swiss francs, down from 5.9815 francs. The pound was at \$1.6370, up

AlliedSignal Sets Hostile Bid

NEW YORK - AlliedSignal Inc. made a hostile bid

for AMP Inc. late Tuesday, offering \$9.8 billion for the

electronic maker's stock, a 58 percent premium to the

Larry Bossidy, chairman of AlliedSignal, said the

conglomerate made the public offer "after our requests

for discussions were ignored by AMP management." He added that his company "preferred a negotiated transaction with AMP" and indicated that a friendly deal might be achieved at a higher price.

AlliedSignal offered \$44.50 per share for AMP, whose stock reached a 52-year low of \$28,125 before the bid was

announced. It said financing was available for the bid, but

it did not specify the source, and it also said the tender

offer was "subject to customary terms and conditions," which it also did not spell out.

Appealing to AMP's workers as well as its managers, AlliedSignal said "we can offer employees a wide range

of career opportunities and the benefit of world-class education programs." Last month, AMP said it would

consolidate plants and trim 3,500 positions.

year-low reached earlier in the session.

Of \$9.8 Billion to Buy AMP

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Investor's America

### Very briefly:

 Amazon.com Inc., the biggest on-line bookseller, said it would buy two closely held Internet companies, PlanetAll from 1.5002 francs, and at and Junglee Corp., for about \$280 million in stock as it seeks 5.9525 French francs, down to draw more customers to its Web site.

• Entergy Corp. plans to sell is British and Australian electricity distribution units and cut its annual dividend to \$1.20 from \$1.80 in an effort to raise \$4 billion to reduce debt and invest in more profitable businesses.

 Ziff-Davis Inc., the publisher of computer magazines, said its second-quarter loss grew to \$76.5 million from \$17.4 million a year ago as advertising revenue from its business publications fell. Revenue dropped 8 percent, to \$276.5 million.

• MCI Communications Corp., in an agreement with the Federal Communications Commission, will provide credits to callers who used MCI's dialaround service, now called 10-10-321, but got billed at the company's highest rate.

 Humana Inc., a managed health care company, said second-quarter profit rose 24 percent, to \$52 million, as commercial membership increased. Premium revenue grew 33 percent, to a record \$2,4 billion.

 Polo Raiph Lauren Corp.'s first-quarter profit rose 32 percent, to \$22.7 million as sales of clothing and licensing revenue increased.

• Mercedes-Benz AG, the luxury-car unit of Daimler-Benz AG, said July sales in the United States rose 53 percent, to 10.310 vehicles amid booming demand for the M-Class sportutility vehicle, which is made in the United States.

 Chrysler Corp,'s July sales rose 3 percent, surpassing 200,000 units for the sixth consecutive month, as it benefited from the strike at General Motors Corp.

 Japan-based investors were the largest holders of U.S. Treasury securities in May, with \$266.9 billion in debt, up from \$264.2 billion in April. British-based investors were second, with \$265.7 billion, down from \$269.2 billion in

# MARKET: U.S. Stocks Plunge as Worries Mount Over Asia Crisis

That sentiment was wide-

Holland, an investment that the deflationary pressures manger who has his own firm from Asia remained a con-

highly valued by historical and the Federal Reserve Board measures, Mr. Manley said could reduce interest rates.

pread on Tuesday. Michael

in New York, said, "I don't

think this is the beginning of

the end; rather, I think it is a

Although the analysts

agreed that stock prices were

they still seemed to offer

While the yield on govern-ment bonds is about 5.5 per-

said, a level that reflects the recent shift by U.S. compa-

nies away from cash payouts

in favor of stock repurchases.

Adjusting the yield for those buybacks gives a dividend

competitive returns.

Continued from Page 1

from their highs.

The blue-chip averages, which are often considered ficient to trigger a significant decline in stocks, according to Mr. Dwyer and other analysts, who said rising interest rates and visible problems in the U.S. economy\_would be needed to derail the bull market that has seen the value of the Dow industrials triple in this decade. this decade.

The analysts also noted the Dow and the S&P 500 were this has allowed valuations

simply catching up with de- on the shares in the biggest clines registered in recent companies to exceed those of weeks by stocks smaller than their smaller competitors. the large issues that make up Thus, if the decline in big-cent, dividends on the S&P leading economic indicators those indexes. Mr. Manley of company stocks is seen as 500 are about 1.7 percent, he fell 0.2 percent in June, the Salomon Smith Barney noted bringing them into line with that as of Friday, more than 50 small stocks, Mr. Dwyer said, percent of the New York "the market is already closer Stock Exchange stocks were to a bottom than a top."

REFLY

down more than 20 percent

surrogates for the entire market, have been attracting investment from Americans using index-based mutual funds normal pause in an incredible as vehicles to save for retire-bull market." ment and from overseas purchasers who prefer to buy

			-		
he Trib In	dex	Prices	is of 4:00 P.M.	New York time.	buybacks gives a dividend rate of about 2.5 percent, so it
in. 1, 1992 = 100	Level	Change	%change	year to date	would require growth of only about 3 percent to keep re-
orid index	192.57	- 2.49	- 1.28	+ 11.89	turns from stocks in line with those on long-term bonds.
sia/Pacific .	78.82	0.38	-0.48	<b>— 17.96</b>	Although profit growth is
urope· .	238.59	+ 197	+ 0.58	+ 23.60	slowing from the double-digit
America	249.78	-921	- 3.64	+ 12.87	rates recorded in the past few
America .	126.28	<b>— 5.34</b>	-4.06	<b>— 17.29</b>	years, "you still have 60 per-
dustrial Indexes					cent of the S&P market cap-
apital goods	251.37	<b>— 7.10</b>	- 275	+ 21.69	italization growth at better
onsumer goods	226.29	<b>— 3.08</b>	<b>— 1.34</b>	+7.90	than 10 percent in the second
nengy	194.33	<b>— 6:87</b>	. == 0.45 .	-0.32	quarter," Mr. Manley said.
nance .	144.35 . :	-041		+ 17.40	Don't tell me there aren't a
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ew Materials	186.06	f 2075		¥11.25	
ervice	203.06	4.46	-2.15	+16.49	U. S. STOCK MA
hities	168.20	-0.31	0.18	+0.80	O. S. S. LOURE MAIN

regional Heeski Tribune World Stock Index © tracks the U.S. dollar value

Compiled by Bloomberg News.

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### **AMEX**

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### U. S. STOCK MARKET DIARY **Most Actives** NYSE

"Don't tell me there aren't a from Monday.

Mr. Manley said. cent; down from 5.65 percent

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NYSE Composite Industrials Transp. Transp. Finance Nasadaq	1890 501.79 689.92 679.85 501.74	Love Lost 501.36 501.36 654.01 64.01 452.19 452.29 369.13 369.13 504.66 534.66	1950 1950 1757 1757 1757 1757 1757 1757 1757 17	Nasdaq Descrit s Altrosti s Caso s Intel Ascend Geally ur World Cm Turbodyna Blocki Ornole s Nationa	Vol. Hype 222995 1111/ 221642 1094 180556 64 187574 494 160152 254 142534 524 112542 1216 17042 1216 17043 274		· 新京本教育· 中国	Aug Sep Oct Dec Juni Mor Est Mor Soy
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### JRES

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Aug. 4, 1998	High Low Latest Chigo Opini	High Low I
High Low Latest Chge Opint	DRANGE JUICE (NCTN)	IN YEAR FRENCH GOV.
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Grains	Not 98 111.75 199.80 111.75 +0.60 5.205	FF500.000 - pts of 100 pcf Sep 98 105.68 105.52 1 Dec 98 105.15 105.07 1
RN (CBOT)	Jan 99 114.50 113.00 114.50 +0.60 2,333	Est, soles: 74,564
10 bu minimum-cents per bushel 198 215 21234 21349 unch. 87,790	Mar 99 117.25 115.50 117.25 +0.00 1.548	Open int.: 135,967 up 970
98 2221/ 2204 2214 +4 157,619	Est. sales N.A. Morrs sales 1,021 Mans open int 24,051, off 63	ITALIAN GOVERNMENT
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7 99 2484 2383 23943 + 1 1,100 99 24545 244 24432 + 16 14,114	Metals	Sep 98 n.a. n.a. 1 Dec 98 n.a. n.a. 1
99 24914 24814 24819 unch. 1,503	SOLD (NCMX)	
99 254 252 <sup>1</sup> 4 253 <sup>1</sup> 7 unch. 6316	100 lroy az. dollars per lroy az.	Est, sales: n.a., Prev. sale Prev. open lat.: 108,589 a
oples N.A. Morrs sales 63.667	Aug 98 290,00 285.00 288.80 +4.80 3.537 Oct 98 291.50 285.00 290.40 +4.60 11.452	
ers open Int 317,935, up 4,674	Oct 98 271.50 285.00 290.40 +4.60 11.452 Dec 98 273.50 286.80 292.50 +4.60 94.868	LIBOR 1-MONTH (CMER
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tons-dollars per ton	Apr 99 296,70 292,00 296,30 +4,60 8-960	Aug 98 94.36 94.35 Sep 98 94.36 94.35
tons dollars per ton 998 147,70 144,50 144,90 -1.60 11,444	Jon 99 298.20 294.50 298.20 +4.60 12.361 Aug 99 300.00 +4.60 1.997	Oct 98
198 143,70 140,50 140,70 -1,00 24,271	Apg 99 300,00 +4.60 1,997 Oct 99 301.80 +4.60 218	Est sales 3,658 Mours sale
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199 146,70 144,60 144,80 -0,50 9,868	Mon's open let 177,691. up 12,420	EURODOLLARS (CMER)
799 151.00 149.40 149.60 -0.70 8.454		\$1 million-pls of 100 pct.
L sales N.A. Mags sales 31,057	HI GRADE COPPER (NCMX) 25,000 lbs ceals per lb.	\$1 million-pls of 100 pct. Aug 98 94.32 94.31
nrs open ini 136,601, up 1,964	Aug 98 74.50 73.38 73.40 -1.10 1.760	Sep 98 9434 9431 9 Oct 98 9430 9428
YBEAN OIL (CBOT)	Can OH 75 ND 77 AD 77 00 11 10 77 AD A	Oct 98 9430 9428 9 Nov 98 9429 9428
000 ths-cents per its	O-198 74.70 74.10 74.10 ·1.10 2.142	Dec 98 94.32 94.28 9
998 24.20 23.75 23.79 4.15 5.473 998 24.32 23.85 23.88 40.17 28.622	Nov 98 75.20 74.30 74.30 -1.10 1.566 Dec 98 76.10 74.40 74.60 -1.10 13.341	Jon 99 94.37 94.33
98 24.73 23.85 23.88 -0.17 28.622 198 24.40 23.96 23.98 -0.19 14.270	Jun 99 75.40 74.80 74.80 -1.10 1.828	Mar 99 94.40 94.33 1
c 98 24.53 24.05 24.08 -0.10 43.601	Feb 99 75.60 74.95 74.95 -1.10 918	Sep 99 9435 9428
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ir 99 2470 2424 3435 -0.30 7.814	Est. sales 11,000 Moors sales 10,076	Mar 00 94.27 94.21 1
1. sates N.A. Moors sales 28,327 ors open tat 109,850, off 1,765	Mans open Int 57,459, off 1,073	Jun 00 94.25 94.19 9 Est soies 478,701 Mons si
Ni2 ober an Louisia on 11,00		Mon's open let 3.037.519. 0
YBEANS (CBOT)	SILVER (NCMX)	
00 bu minimum-cents per bushal g 98 574% 564 564½ -8% 9,466	\$.000 froy oz cents per troy oz. Sep 78 548.00 535.00 545.70 +9.30 39.404	BRITISH POUND (CMER
g 98 574% 564 564% 844 9,466 p 90 568% 551 551% -4% 14,805 n 98 553 567 5674 -4% 77,185 n 99 564% 557% 5574 -4% 10,761 g 99 564% 557% 56744 -4% 10,761	Dec 98 551.50 538.00 548.70 +9.50 26.536	62,500 pounds, 5 per pound Sep 92 1,6356 1,6220 1.
98 555 547 \$474 -44 79,185	Jon 99 550.50 541.00 530.50 +9.50 28 Mar 99 550.50 541.00 530.50 +9.00 4764	Dec 98 1,6242 1,6180 1.
n 99 56.6% 557% 557% -6% 10,761 nr 99 573 567% 367% -6% 8,588	Mar 99 550.50 541.00 550.50 +9.00 4764 May 99 552.10 546.00 552.10 +9.00 1.701	Mar 99 1.
r 99 573 5674 3674 -419 8,588	Jul 99 553.60 +9.00 2.570	Est. sales 7.159 Mon's sale
1. sales N.A. Moors sales 47,537 ors open but 134,152, off 439	Sep 99 554-40 +9.00 173	Morrs open Int 42,107, up 3
	Est. soles 12,000 Mons soles 12,588	CANADIAN DOLLAR (CA
HEAT (CBOT)	Morrs open int 80,282, off 862	100,000 dollars, 5 per Cdn.
00 bo minimum-cants per bushel p 98 253 247 2474 -312 43,674	PLATINUM (NMER)	Sep 98 .6628 .6590 .
C 98 2697/2 263 263% -3% 51,611	50 troy cz. dollars per troy cz.	Dec 99 .6628 .6597 .
<b>5</b> 99 284 27814 27814 -3 18,892	50 hey cz.: dollars per tray cz. Oct 98 378.80 370.20 377.00 +5.80 8,477 Jan 99 377.00 374.00 377.00 +5.80 848	
	Apr 99 376.00 +5.80 22	Est. soles 7,578 Mon's sole Mon's open int 72,330, up 3
f. soles 8,587 Morts soles 14,291 orts open lot 128,548, op 317		GERMAN MARK (CMER
at super his topone op ser	Est. sales N.A. Man's sales 2,336	125,000 marks, 5 per mark
	Morrs open int 9,350, att 431	Sep 98 .5664 .5610 .
Livestock	Close Previous	Dec 98 .5681 .5651 .
TTI E CLUERS	LONDON METALS (LME)	Mar 99
000 fbs cambs per lb. 19 98 59.82 58.25 59.82 +1.50 21,099	Dollars per metric ton	Est. sales 18,949 Moors sal Moors open int 107,425, up
198 60.47 58.95 60.47 +1.50 40.292	Abustness (High Grade) Spot 1297/r 1298/r 1298.00 1299.00	
c 98	Forward 12161/2 1317.00 1317.00 1318.00	JAPANESE YEN (CMER
6 99 63.82 62.25 63.82 +1.00 9.214 799 65.82 64.15 65.75 +1.40 1.631	Copper Cathodes (High Grade)	12.5 million yet. 6 per 100 y Sep 98 4975 .6887
199 65.82 64.15 45.75 +1.40 14.31 199 64.30 42.77 64.00 +1.20 920	Spot 1629.00 1630.00 1645.00 1646.00 Forward 1650.00 1651.00 1665.00 1666.00	Dec 99 .7050 .7017
		Marr 00 7177 7005

67.92 67.00 67.70 69.55 70.70 7,528 3,741 5,327 2,408 1,149 259

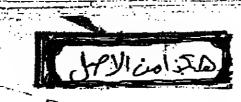
FORLD 11 DICSE) bs.- cants per lb. 273 8.43 8 9.08 9.07 9 9.10 9.04 9 9.09 9.03 9

BONDS (MATIF)

Sep 99 95.880 95.860 95.880 +0.010 31,735 Dec 99 95.740 95.720 95.730 Unch. 38,922

Industrials

CACO IMA/11-)
FF200 per index point
Aug 98 4146.0 4060.0 4060.0
Sep 98 4200.0 4088.0 4072.0
Dec 98 N.T. N.T. 4107.0
Mar 99 N.T. N.T. 4145.0
Sep 99 4200.5 4200.5 4156.0



**EUROPE** 

### Investor's Europe London. FTSE 100 Index CAC 40 Prev. Close Change 1,212.17 1,200.56 +0.97 3,524.24 3,492.61 +0.91 5,756.20 5,758.77 -0.04 726.16 726.46 5,298,40 5,326,63 HEX General 660.43· 668.71· 5,736.10 5,809.70 -1.27 FTSE 100 Stock Exchange . 913.72 -0.34 MIBTEL 24146 4,095.03 -1.15 CAC 40 4,047.88 4,204,88 4,249.31 -1.05 Stockholm SX 18 Vienne AEX 1,463,82 1,459.00 +0.33 Zugiety SPI 5,102.67 5,087.69 +0.29

### Very briefly:

· British Petroleum PLC's quarterly profit fell 20 percent to £695 million (\$1.16 billion) amid the effects of a severely depressed oil market. Pretax profit for the three months ending June 30 compared with earnings of £874 million in the same period a year earlier.

• KLM Royal Dutch Airlines net profit for the first quarter of 1998 rose 12 percent to 212 million guilders (\$106 million) but was dented by Asia's ecocotnic crisis.

• The London International Financial Futures and Options Exchange, under attack by a German rival, traded 13.28 million contracts in July, 28 percent down from the same period last year. The July total compared with 18.37 million futures and options cootracts traded to July 1997.

· South African Reserve Bank's oet reserves fell an unexpected 14 percent in July as it drew more heavily on foreign the head of Salomon in a managecredit lines to shore up the rand. Provisional gross reserves of gold and foreign exchange fell to 32.6 billion rand (\$5.2 billion) in July from 33.4 billion rand in June.

· Julius Baer Holding AG, Switzerland's third-biggest listed money manager, reported that first-half profit rose 73 percent, more than expected. Net income rose to 186 million Swiss francs (\$122.8 million), or 157.6 francs per share, from 107.5 million francs, or 91.2 francs a share, a year earlier.

• Philips Electronics NV bought the 49 perceot it did not already own in Suhmicron Semiconductor Technologies GmbH from International Business Machines Corp., its partner in the joint venture.

· Saah Automobile AB, the Swedish carmaker that is halfowned by General Motors Corp., registered an 11 percent counting Principles this year. rise in U.S. car sales in July compared with a year earlier. For the mooth, 3,106 Saah cars were sold, compared with 2,801 in utive of the German chemicals 80 DM in Frankfurt. Bloomberg, AFP, AP, Reuters group, also said that Asia's financial July a year ago.

# NatWest's Share Price Soars

# Increase Fueled by Gains in Banking and Venture Capital

By Tom Buerkle

LONDON -- Share prices in National Westminster Bank PLC soared 10 percent on Tuesday after Britain's second-largest bank anhigher-than-expected 46 perceot to £715 million (\$439.4 million) in the first half of this year.

The increase was fueled by healthy gains in NatWest's core retail and commercial banking activities, a surge in dealing profits and big gains from venture capital

It indicated that the bank was reaping substantial rewards from its decision last year to pull out of the equities business following major losses there and focus oo domestic banking.

'It's a good start oo our new strategy, "said the chief executive, Derek Wanless,

Analysis welcomed the figures

but questioned whether NatWest would be able to maintain the earn- to be created in our husiness by ings momentum now that the Britisb ecocomy, which it depends on for the hulk of its profits, is slowing markedly.

NatWest's share closed at nounced that after-tax profit rose a £11.46, up 107 pence in London. year as you're going to get from NarWest," said Neil Baker, an analyst at Dresdner Kleinwort

> NatWest's lagging performance has made it a frequent target of takeover or merger speculation over the last year — speculation that revived last week after the chairman of Lloyds TSB Group, Sir Brian Pitman, predicted that British banking would see a wave of U.S.-style consolidation in perhaps 18 months.

speculation and said the results had toughened its lending requireproved NatWest could generate ments 18 mooths ago in anticistrong returns on its own.

"We think there is a lot of value managing it better," be said.

Pretax profit in the British banking division rose to £555 million in the first half, up 16 percent from a year earlier. The increase would have been greater if not for a £65 "It's pretty much as good a half million charge to cover potential liabilities for questionable pension advice given in the late 1980s, which has affected most British financial-services companies.

Although costs in the unit have remained essentially flat for 18 mooths, NaiWest's cost-to-income ratio of around 64 percent remains well above the benchmark of 46 percent set by Lloyds TSB.

Analysts also questioned whether NatWest could keep such a tight lid oo bad-debt provisions, aps 18 months.

Mr. Wanless dismissed the million. Mr. Wanless said the bank pation of an economic slowdown.

# Hard Rock's Net Lifts 'Weak' Results at Rank:

LONDON - Rank Group PLC said Tuesday that its profit rose 16 percent in the first half, to £78 million (\$126.9 million), as subsidiaries like the Hard Rock restaurant chain and Mecca bingo parlors in Britain showed improved results. . But analysts were disappointed

and Rank's shares fell sharply. Rank's net earnings for the period compared with profit of £67 million a year earlier. Revenue rose to £901 million from £853 million in the first half of 1997.

This performance, in difficult U.K. trading conditions, highlights the strengths of our major brands," said Andrew Teare, the chief executive. "With our strategy on track and the resilience of our major brands, we are well-positioned for the second half."

Analysts expressed disappointment with the figures.

"It was a weak set of results," said Andrew Burnett, an analyst at

Charterhouse Tilney. "If you strip out the contribution from Hard Rock, the core business

Rank has started to focus on its major leisure and entertainment brand names, while seeking to cut costs and raise profit margins.

pointing results.

The company is nearing the end of a two-year reorganization, during which it has shed 11 businesses and has funneled money into the leisure divisions it wants to expand. A year ago, Rank sold out of the Rank Xer-

was sluggish," he said, adding that Rank's nightclubs and Butlins va-

cation camps had produced disap-

vices unit rose 45 percent, to £29

million. Profit at Hard Rock rose 15

percent, to £23 million. Earnings ar

the vacation unit fell 12.5 percent, to

£7 million. Profit in the leisure unit

Shares in Rank fell 19 pence, to

Rank might attract a bid from U.S.

309 pence. Market speculation that

investment firms lifted the stock on

Friday and, analysts said, helped to cushion the fall Tuesday. Mr. Teare.

had no comment on the speculation.

fell 6.4 percent, to £44 million.

Earnings at the Deluxe film-ser-

ox photocopying business.
(AP, Bloomberg, Reuters)

# Adidas Shuffles Personnel After Losses

Agence France-Presse

MUNICH -- Adidas-Salomon AG, the German sporting-goods manufacturer, showed Tuesday a net loss to the first six months after allowing for charges arising from nomic crisis in Asia. The company the acquisition of Salomon, the said that earnings per share for the French maker of winter-sports full year would not increase.

Adidas-Salomon also removed ment shuffle.

LONDON - BASF AG, which

reported a 14 percent first-half profit

rise, said Tuesday that it would seek

a listing in 2000 oo the New York

Stock Exchange and planned to adopt U.S. General Accepted Ac-

Juergen Strube, the chief exec-

11.85.01.46.46.16.17.55.66.84.16.17.55.66.84.16.17.55.66.84.16.17.55.66.17.55.66.17.55. 

14145 11385 10800 4380 4380 3450 1648 9940 15800 13650 10790 10976 81600 4175 3305 1600 9780 14000 11100 10690 23900 4225 1615 1800 15150 13495 11160 10610 185000 4150 3410 1605 9990 15690

Profit Up, BASF to Seek NYSE Listing

amid disappointment at Salomoo's performance so far this year and concern about the effects of the eco-

Adidas-Salomon said it had booked a net loss of 487 millioo Deutsche marks (\$273 millioo ) hent shuffle. from January to June, after taking A new management was installed into account a ooe-time charge of

crisis would slash about 500 million

Deutsche marks (\$280.27 million)

BASF reported a net profit rise to 1.62 billion DM in the first six

months of the year. Sales rose to 28.74 billion DM from 27.79 bil-

BASF shares fell 50 pfennigs to

(Bloomberg, Reuters, AP)

from its total 1998 sales.

at Salomoo with promises that the 723 million DM connected with the takeover would turn into a success, purchase of in-process research and development from Salomon. Excluding that charge, net profit grew by 4 percent to 236 million DM and pretax profit by 8 percent to 379 million DM.

Group sales totaled 4.947 billioo DM. Compared with the figure for the first half of 1997, which did not inclode Salomon, that represented an increase of 57.8 percent.

Robert Louis-Dreyfus, the chairman, said at the group's midyear press conference, "We were disappointed by the first six months" with Salomon, "hut over the next 18 months, we will prove to both shareholders and management that they needn't regret the acquisition."

A statement Tuesday announced the departure of Jean-Francois Gautier, Salomon's president. Mr. Louis-Dreyfus is now the new president of Salomon. For the next six to nine months, he and his deputy, Christian Tourres, "will devote the majority of their time to the management of Salomon," the statement said.

# French Bankruptcies Hit a Four-Year Low

PARIS — French bankruptcies fell 42 percent in May from April, with fewer companies in all industries going out of business, according to government figures released Tuesday.

The national statistics office, INSEE, said 2,315 bankruptcy decisions appeared in May's official bulletin of civil and commercial announcements, the lowest in four years, compared with 3,989 the previous month.

Fewer businesses are expected to fail as the economy grows by an estimated 3 percent this year, after 2.3 percent growth in 1997. During the past four years, companies have reduced their debt, cut costs and are more profitable, various reports show.

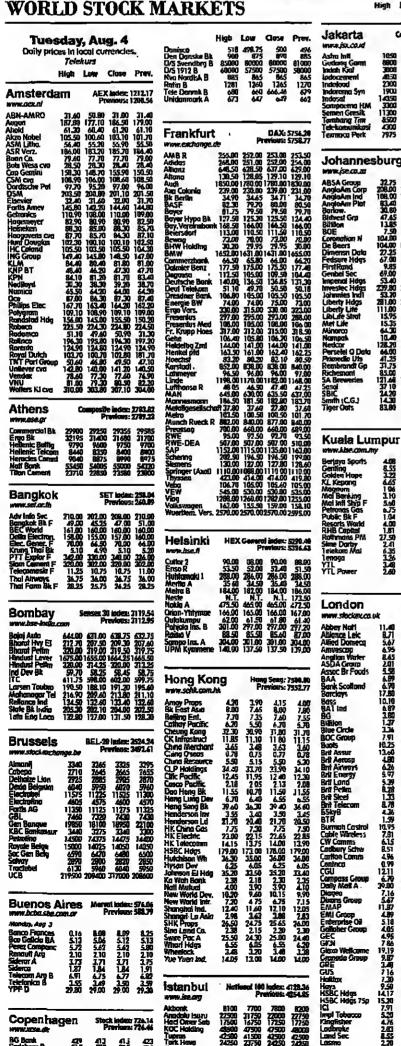
Bankruptcies had risen 22.5 percent in April and dropped 27.6 percent in March. While the monthly figures tend to be erratic, this year's numbers are down from 1997, when more than 4,100 companies went bankrupt every month. Compared with a year ago, bankruptcy decisions feli 8.6 percent in the three months ended

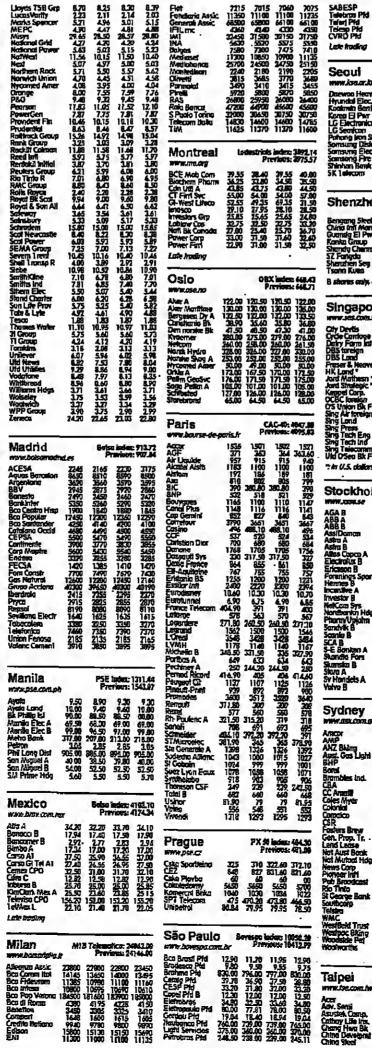
INSEE also reported that confidence among construction companies rose in July to its highest since 1990, with more working at full capacity and seeking qualified workers. The industry expects 1998 to be its first year of growth after seven straight years of decline following a cut in public works projects and a stagnant property market.

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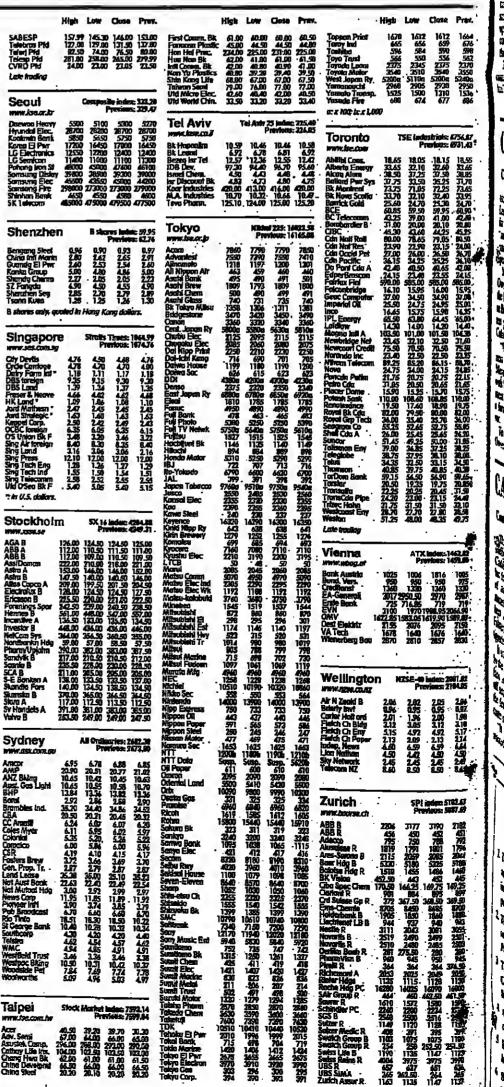
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ASIA/PACIFIC

# Concern **Over Yuan** Hits Stocks In China

SHANGHAI - China stocks

lunged to record lows Tuesday as shaken investors fled a market plagued by worries over a yuan dealuation and poor corporate results.

The index of Shanghai stocks open to foreign investors, or B shares, fell 2.9 percent to a record low. In the southern city of Shenzhen, the benchmark slid 4.5 percent.

"Foreign investors areo't confident about the stability of the yuan," said Xu Ling, a trader at Shenyin & Vanguo Securities Co.

China has pledged not to devalue the yuan, but many economists say a devaluation is inevitable if the yen continues to weaken. That would probably touch off another round of currency devaluations in Asia and threaten the Hong Kong dollar's peg to the U.S. doll-r.

Peter Everington, investment director at Regent Pacific Group Ltd., said that the Hong Kong dollar peg and the yuan would break: "I think it's a toss of the coin which goes

China'a currency is vulnerable because the economy is already starting to slow.

Prime Minister Zhu Rongji conceded over the weekend that China was suffering from deflation at the giant Korea Telecom Corp., that levels that could make it impossible are earmarked for privatization by levels that could make it impossible are earmarked for privatization by to achieve the government's target 2002 and promised a "rapid defor 8 percent growth in gross domonopolization." mestic prodoct this year.

First-half growth was just 7 percent, and analysts in Hong Kong cabinet, was part of a second round the communications market, will said that China's worst flooding in four decades threatens to cot another 0.5 percentage points off of thirdquarter growth. Chinese companies were already reporting slowing profit growth after retail prices fell 2.1 percent in the first half.

The market has not stabilized yet --- the main reason being that midyear results are not all out yet,!" an analyst at Nikkei Securities said. The market will only rebound after the risk from midyear reports has been removed.

But a yuan devaluation would make it difficult for companies to improve profits, since it would drive up borrowing costs for manycompanies that generate revenue in the Chinese currency.

Talk of a Chinese devaluation continued to sweep through Shanghai's black market on Tuesday.



Hong Kong bargain-hunters busy Tuesday at one of 23 shops to Monday that the gross domestic to get worse. New layoffs are anbe closed in the territory by Theme International Holdings. product had contracted by 2.8 per-nounced daily. (AP, Bloomberg)

# Hong Kong Official Says Not All Is Bleak

HONG KONG - A day after quarter. announcing that output had conmentals remained sound.

Alan Lai, director-general of Kong business executives "are still able to deliver, and we still Registry. maintain a smooth operation in respect of our manufacturing ac-

across the border, and because of month. the stability in the region, we are able to accept orders," Mr. Lai

told government-run radio. We are able to maintain a certain edge" compared to other producers in the region, which they don't have the sort of political stability that we enjoy

The government announced on

cent in real terms in the first

The government also warned tracted terribly, a government of- that the GDP figure for the second ficial said that economic funda- quarter would be "somewbat worse.

Sales of apartments fell by 31.3 trade, said Tuesday that Hong percent in July from June, according to the government Land

A total of 6,280 apartments, with a combined valued of 18.1 tities."

billioo Hong Kong dollars (\$2.34

"We have a lot of factories billion), changed hands last

> The property market has been depressed for a year. Sales were down in July by 27.7 percent from a year cartier

Hong Koog property de-velopers started to cut prices to have to pay higher prices for raw earnest in May. Apartment prices materials, he said. He added have fallen by about 45 perceot since the record highs of one year

> Unemployment is at a 15-year high, at 4.5 percent. It is expected

voked a warning from Korea's

workers make the entire sacrifice,

scrapping its earlier promise it

would come up with a plan through

negotiations with us," said Cheong

Sung Hee, a spokesman for the

Korean Confederation of Trade Un-

ions, which represents 530,000

various ways unless the government

scraps it," he said.
On Monday, to show its dissat-

isfaction, the labor union boycotted

the meeting of a tripartite commis-

sion that is made up of the gov-

emment, labor unions and compa-

nies as they failed to reach an

agreement on ways to revamp state-

The Korean government said last

Steel Co. and 10 other state-owned

companies beginning in June to re-

owned companies.

"We will protest the move in

workers at 1,000 work sites.

"The government is demanding

second-biggest labor unioo.

### Investor's Asia Singapore Straits Times Tokyo Nikkei 225 Hong Kong Heng Seng 11090 17600 1600 10000 1450 16400 9006 15860 8000 15200 1150 7000 M A M Exchange Prev. Index Change Close Close 7,580.80 7,552,77 +0.37 Hang Seng Straits Times 1,064.99 1,074,76 Singapore Ali Ordinanes Sydney 2,682.30 2.673.80 +0.32 Nikkei 225 16,023.58 16,165.08 -0.88 ckyo Kusia Lumpur Composite 386.27 386.44 +0.04 Bangkok 258.04 260.89 333.20 329.47 Composite Index Talpei Stock Market Index 7,593,14 7.599.04 Manila 1,511.44 1.543.07 -2.05 lakerta Composite Index 475.26 Wellington NZSE-10 2,081.02 2,104.05 -1.09 Bomba Sensitive Index 3,119.54 3,112.95 +0.21 Source: Telel

### Very briefly:

 Australia said it wanted to award a contract worth 3.5 billion Australian dollars (\$2.1 billion) to build and operate a high-speed train link between Sydney and Canberra to Alstom SA and Leighton Holdings Ltd. A final decision could take another 18 months, however, and the companies still face competition from a group led by Thyssen AG and John Holland Construction & Engineering. Alstom, builder of the TGV, the French high-speed train, would provide the trains for Australia, while Leighton would install the track.

• Singapore Airlines agreed to buy 5 to 10 percent of China Airlines of Taiwan and said the stake might be increased. Under their alliance, the airlines plan to coordinate flight

 Okura & Co. shares were suspended on the Tokyo Stock Exchange after plunging the daily limit on rumors of financial difficulties at the Japanese steel trading company. The stock dropped 50 yen, to 84 yen (58 cents).

• Sega Enterprises Ltd. subsidiary Sega Enterprises Inc. (USA) has taken over the commercial-game-machine sales division of Sega Game Works, which is jointly owned by Sega, Dream Works SKG and Universal Studios Inc. The price of the transfer was not disclosed,

Nissan Diesel Motor Co., a truckmaker affiliated with Nissan Motor Co., said it would give two extra days off this summer to its factory workers in Japan, as it reduces production amid declining sales.

 Malaysia said it would pull out of the International Natural Rubber Organization, made up of producers and consumers, and try to form a separate producers' cartel to cut output and lift prices. Prices of natural rubber have slumped almost 27 percent in the last 12 months,

month that it would start selling \$10 • Arab-Malaysian Corp. shares plunged 0.17 ringgit, to 0.59 billion of shares in Pohang Iron & ringgil (14 cents), as they trailed for the first time since the company, which controls the seventh-largest banking group in Malaysia, won court protection from creditors.

pay debt and revitulize a shrinking • Philippine expurts grew 12.2 percent in June, less than expected, despite stronger-than-forecast sales of electronics. The government said exports totaled \$2.3 hillion. For the first Korea Telecom plans to restructure and will sell or contract nut six months of the year, exports use 18.8 percent, in \$13.9 satellite communications and tele-hillion, it rubled. Exports had been rising at a 20 percent rate gram services. (AFP, Bloomberg) until recently. APP, AP, Bloomberg, Kriarry

# Seoul Earmarks State-Owned Firms to Be Sold

SEOUL - South Korea on Tuesday unveiled a list of 40 subsidiaries of 19 state-owned firms, including

ning and Budget Commissioo to the

and downsizing unwieldy public en-tities. mission said, adding that the power includes the firing of one-fifth of the monopoly Korea Electric Power employees at the companies, pro-

"To this end, the state-owned parent enterprises are to be required to divest from the subsidiaries engaged in, and sell the assets used for activities unrelated to their respective 'core' business activities," a The list, presented by the Plan- planning commission official said.

Korea Telecom, which dominates of reforms aimed at restructuring lose 13 of its subsidiaries, the com-

Corp. would see seven units privatized by 2002.

Other targeted state-owned en-terprises with subsidiaries include Korea Land Corp., Korea National Housing Corp., Korea Petroleum Development Corp., Agricultural and Fishery Marketing Corp., and

Korea Tobacco and Ginseng Corp. The restructuring program, which

# Malaysia to Inject Capital Into Its Banks

KUALA LUMPUR - The central bank of Malaysia on Tuesday unveiled plans to recapitalize its weakening banking system, warning of an increase in bad loans to set aside more funds. amid the economic downturn,

holders who are not able to keep their banks affoat, the central bank said. The special company, Danamodal Nasional Bhd., is to begin operations next month.

tries to overhaul its troubled banking industry, which it says needs as to foreign investors.

Analysts said banks might need Malaysia plans to pump 1.5 bil-lion ringgit (\$361 million) into a PB Worldsec Securities Advisor. new bank recapitalization ogency, estimates that the amount could be which may buy stakes from share- as large as 30 billion ringgit. as large as 30 billion ringgit.
The central bank

Danamodal's operations would complement an asset management complement an asset management to independence struggle, (AFP, Bloomberg)

The move comes as Malaysia To raise money for its operations, ies to overhaul its troubled bank-

Nonetheless, Prime Minister Mahathir bin Mohamad on Tuesday renewed his attacks on foreigners - particularly currency traders - vowing that Malaysia would not seek outside help for its economic recovery.

Speaking to thousands of people during a one-day visit to the southern state of Johore, he said Malaysia was going through a "second

### Rhône-Poulenc reports 29% gain in net earnings in second quarter 1998

Rhône-Poulenc

is a léading

life sciences company,

growing through

innovations

The successful listing of Rhudia on the New York and Paris stock crehanges marked the last step in the transformation of Rhone-Pouleur, as announced in June 1997. Today we can focus on marialising the potential of our new products and improving profitability - the grawth in earthings during the first half is in line with this strategy. Our objective continues to be a 20% increase in carnings per shore over the full year, olthough this remoins on ambitious goal."

> Jean-René Fouriou Chairman & Chief Executive Officer

Consolidated accounts second quarter 1998

Sales: FF223 billion (+28%)" Net income: FF2.6 billion

Excluding non-recurring items': Net income: FF1.2 billion (+2990) · Earnings per shore: FF3.28 (+ 16%)

· Eomings per shore before goodwill amortization: FF4.26 (+17%)

This increase in earnings confirms the growth recorded in the first quarter 1998. Overall, for the first half of the year, net income (excluding nonrecurring items'7) increased 29%, to FF2 hillion. Earnings per share amounted to FF5.7 (FF7.6 hefore goodwill amonization). For the first half of the year, consoll-

dated net sales rose 7% to FF44.3

Rhone-Paulenc Rorer.

Pasteur Mérieux Connaught, Centeur Consolidated net sales: FF8.4 hillion (+6.2%) Earnings from operations": FF t.2 hillion (+33.1%)

Growth in demand remains strong for strategic products such as the miti-cancer agent. Taxmere, the lowmolecular-weight hepanin, Lovenove. the anti-allegy medication, Nasaconand vaccines. In the respiratory husiness, a strengthened sales promotion compaign has curled the ension in market slaur. Thrwever, sales growth in a number

of products has been impacted during the second quarter by some destocking ar wholesale level in the U.S.

 The growth in carnings from operations" is due to all improvement in product mix and the first positive effect from Cemeon's recovery.

Plant & Animal Health Sector Rhine-Poulenc Jardin, Rhone-Poplene Animal Nutrition, Meria Consolidated net sales: FF4.4 hillion (-1.7%)

Earologs from operations": FF1.0 hillion (+13.8%) · The growth in new product sales. like the insecriside Regents and the external poliparasitic Frontlines.

parily compensated for some unfavorable events (the economic situation in Asia, bad weather in the United States, disruptions of supplies from Temik distributors, etc.) which affected sales performance. As pan of its development strategy

in plant biorechnology. Rhone-Poulenc Agro signed a pannership agreement with the American company Mycogen. This agreement aims to develop and market genetically modified plants and seed products, emino and sugarcane being the first markets.

Consolidated net sales: FF10 billion (+1.7%) Earnings from operations":

. The continued refocusing of the portatio on speciatry chemicals and productivity measures contributed to the significant improvement in Rhodia's earnings.

· Rhodia benefited from good growth in most of its markets, in particular the Polyamide and Services & Specialties Division.

· For the full financial year, Rhodia's earnings should be in line with expected profitability objectives.

14 Capital same finded to Rhodia a heting and estrictural; plus regule in the l'Italian, secon D) Distaine morne Shire conductionness area common comments of allificial companies

> Investor relations: + 11 1 47 68 n7 as

**₽** RHÔNE-POULENC

### COKE: Company's Accounting Doesn't Add Up, Critics Complain Continued from Page 11 dence rests heavily on the couosel. coold be charging too much.

for Coca-Cola Enterprises, mance for our share owners peaks for itself."

Mr. Meyer and Dwight Owsen, a doctoral student at the University of Portsmouth in Britain, have receotly written papers criticizing Coca-Cola's accounting.

'One can't transact business with itself," said Mr. Meyer, an investment analyst with Martin Capital Management in Elkhart, Indiana, and a former accounting profes-

To Mr. Meyer and Mr. Owsen, the issue of indepen-

composition of the board of totally without merit, 'said directors. They say the board Laura Asman, spokeswoman of Coca-Cola Enterprises is Coca-Cola: Howard Buffett, or Coca-Cola Enterprises, controlled by people with and our company's perfor-strong ties to Coca-Cola.

changed recently. Until late last year, Douglas Ivester, then Coca-Cola's president. was chairman of the bottling company. He stepped down after being promoted to chairman and chief executive of .Coca-Cola Co.

makeup of the board has stockholder, and two directors

stepped down, in February. But the board still includes

the son of Warren Buffett and a director of Berkshire Hath-To Coca-Cola's credit, the away Inc., Coca-Cola's largest

of Sun Trust Banks, Coca-Cola's second-largest stockholder. That accounts for six of the board's 13 members. Mr. Meyer and Mr. Owsen suggest that Coca-Cola exerts so much influence that Coca-Cola Enterprises may be

overpaying it for bottling fac-tories and a myriad of other Neville Isdell, a senior vice president of Coca-Cola, also goods and services. Coca-Cola's stunning returns, comtwo former senior Coca-Cola pared with far weaker profits executives and Joseph Gladat Coca-Cola Enterprises, are den Jr., Coca-Cola's general evidence that Coca-Cola

In addition, there are others they say.

Other stock market ona lysts and accountants have questioned Coca-Cola's accounting after examining its transactions with the bottling "The open secret on Wall

Street; it seems, is that Enterprises and Coke are onc and the same company, accounting principles to the contrary notwithstanding. wrote James Grant, the editor of Grant's Interest Rate Observer, in a 1996 article. "In essence, the bottling giant is a kind of receptacle for the everyday business detritus that would otherwise mar the parent's nearly perfect finan-cial profile."

"and by the time the news

# CAVE: U.S. Buries Millions of Files - and Clerks to Process Them

The biggest complaint is swiffy air. Fans bigger than Cadillac cars drag 60,000 cubic feet (1,700 cubic meters)

The other main gripe is being in the dark about what Fahrenheit (22 degrees Cen-

iigrade). by the flow of air through the fans and vents. But cooling off such a gigantic space by the force of wind alone became unwieldy.

"It got to be, when you food: Hence the curiosity wanted to adjust the temper- about

tions. So air conditioning was

minute. The temperature is employees here call "what kept at about 72 degrees it's doing outside."

Continued from Page 11

ature you felt like you were in Weather reports come in by 'It's snowing outside,'.' said Dave phone — and are subject to Kathy Dillaman of the Fed-shively, the chief of opera-distortion as they make the eral Investigations Service,

Very few people venture outside during the day. The It used to be regulated just only destinations reachable in the mandated half-hour lunch break are a gas station minimarket, a couple of churches and a taxidermist, so a local delicatessen brings in trays of

"what it's doing."

"Sometimes an employ- winds its way around you've ee's spouse calls and says, got a full-fledged blizzard."

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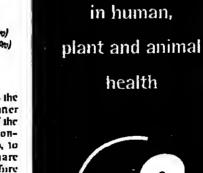
REPUBLIC OF LEBANON MINISTRY OF PUBLIC HEALTH COUNCIL FOR DEVELOPMENT AND RECONSTRUCTION

INVITATION TO BID 1. The Lebanese Government has received a loan (No. 3829-LEB) from the International Bank for Reconstruction and Development (IBRD) for the Rehabilitation of the Health Sector in Lebanon (Contract No. 2420). It is Intended that part of the proceeds of this loan be opplied to eligible payments under the contract for the procurement of Medical Equipment and Instruments for the Ministry of Public Health.

2. The Council for Development and Reconstruction (CDR), on behalf of the Ministry of Public Health (MOH), invites you to submit sealed bids from your company far the supply of Medical Equipment and Instruments for 3. The inspection of bidding documents and further information may be obtained at the following address: The Public Hospitals. Council for Development and Reconstruction - Tallet el Serail - Beirut Central District - Facsimile (961-1)

264494 - 647 947 - Telephone (961-1) 981431 -2 - Telex No.: 42490 CDR LE - Beirut - Lebanon. 4. A complete set of bidding documents may be purchased, as of Thursday August 6, 1998, upon payment of a nonrefundable fee of USS 200 in the form of a banker's certified check in the name of the CDR. 5. Bids must be delivered to the address mentioned above on later than Monday September I-1, 1998 before 12:00

6. Bids will be opened in a public session at 12:00 bours local time on Monday September 14, 1998 at the offices of the Council for Development and Reconstruction.

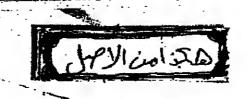




its specialty chemicals subsidiary,

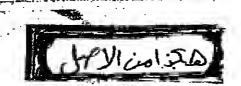
and through

Rhodia.



هد امن الزمل

PAGE 16	INTERNATIONAL HERALD TRIBUNE, WEDNESDAY, AUGUST 5, 1998	/
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Tuesday's 4 P.M.  The 1,000 most braded National Morket secunities in terms of dollar value, updated whice a year.  The Associated Press.  17 Mooth Suco Don 18 Pt 106 Map Law Latest Orge 17 Mooth Suco Don 18 Pt 106 Map Law Latest Orge 17 Mooth Suco Don 18 Pt 106 Map Law Latest Orge 17 Map Law Suco Don 18 Pt 106 Map Law Latest Orge 17 Map La		
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Page   28		
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# Herald Eribune PORTS

### French Policeman Awakes from Coma

SOCCER A French policeman has swoken from a coma, six weeks after he was attacked by German

honligans during the World Cup, hospital officials said Tuesday. Daniel Nivel, 44, regained con-sciousness on Monday and was

taken off a respirator.
"Daniel Nivel suffers serious problems concerning understand-ing and speech and will need extensive rehabilitation," Lille Hos-

pital said in a statement Nivel was attacked by German fans after a June 21 match between

Germany and Yugoslavia in Lens. He was hit with an iron har.

• Dutch police said they expect to be overstretched during the 2000 European championship and their union called on Tuesday for the three-week tournament to be shortened by a week. (Reuters)

### Temporary Job for Olsen

SOCCER Egil Olsen, Norway's World Cup coach, agreed Tuesday to take a temporary joh as manager of Valerenga of Oslo, a club that is struggling near the foot of the Nor-

wegian elite division.

• Luc Nilis, a striker on the Belgian World Cup team, said Tuesday that he oo longer wishes to play for the naoonal team.

• Colin Hendry, the Scottish center half, moved to Glasgow

Rangers from the English club Blackburn Rovers. Rangers paid £4 million (\$6.5 million).

### Irate Arazi Disqualified

TENNIS Hicham Arazi was thrown out of the Grolsch Open in Amsterdam on Tuesday at 7-6 (11-9), 1-5 in a first round match against Magnus Norman. Arazi was warned twice for throwing his rack-et as he grew angry with himself for making errors. When he started hitting the hall wildly out of bounds in an appareot attempt to throw the second set, he received a third warning and was disqualified (AP)

### Texas Tech Is Punished

Texas Tech lost additional scholarships Tuesday and received an extra year of probation because of rampant violations of NCAA rules. The football haseball and men's and women's basketball teams will lose scholarships. Tech has admitted allowing \$1 athletes to compete while academically ineligible from 1991-97. The punishments were in addition to those the school had imposed on itself.

# WORLD ROUNDUP European Hijackers Have a Thick Wallet

SuperLeague Would Ruin Competitive Spirit

By Roh Hughes

LONDON -- Drugs are not the only, nor the primary, danger to sports.

Money is.

As cyclists peddled their inglorious route up the Champs-Elysees where soccer was king three weeks earlier, a group of collaborators - lawyers and soccer club owners, hankers, television entrepreneurs and yet more lawyers met in London. Their mission? To hijack European soccer.

A supposedly secret European Su-perLeague gathers pace. Its godfather is

### WORLD SOCCER

Silvio Berlusconi, the former Italian prime minister who has more lasting holds on AC Milan and satellite television. The idea is to form a hreakaway league among wealthy clubs that would play midweek matches for the greater benefit of themselves and the greater profits of the SuperLeague backers.

It has two enocing attractions for the founder members: A larger proportion of the television and advertising revenue they generate, without the hurden that UEFA, the governing body of European soccer, currently imposes by distributing some profits to smaller clubs and national associations. The other attraction is a guarantee of permanent membership, without the tedious husioess of having to merit inclusion by qualifying year after year.

The idea has two damning drawbacks: If private investors, as well as elite clubs, reap the dividends, then the pyramid that sustains soccer, from the bottom up, will perish. And if perman-ency is allowed, the competitive essence of sport is destroyed. The new league would, in the words of Keith Wiseman, chairman of the English Fonthall Association, reduce top European soccer to exhibition status. "It's Harlem Globetrotter stuff," Wiseman said. "If you doo't have promotioo and relegation on merit, it will fade away.

Wiseman's comment puts a finger on the genesis of Berlusconi politics. The Italian, whose famous team finished 10th in Serie A this year and thus has its nose outside the window of UEFA Champions League earnings, is enamored with the American franchise systcm. There, indeed, it is possible to lose on the field and win at the bank, to own the business rights to a permanent place

in the league. The English Football Association has warned its hig clubs - Manchester United and Arsenal have sat at the SuperLeague table, and Liverpool has been implicated — that they cannot have riches both ways. Either they stay within the established UEFA competitive struc-ture or they will be expelled from the FA Premiership, their seasonal source of millions. No one is certain this edict would survive a restraint-of-trade challenge in the European courts — and many ob-servers expect such a challenge from the covert Berlusconi conglomerate.

In any case, I strongly suspect Manchester United, for example, is bluffing. The team has so much to lose on the domestic front — full 55,000 houses whenever and whomever they play at Old Trafford in the tribal tradioons of English league soccer. That, and the sky-high income from Sky Television, the British satellite arm of Rupert Murdoch's media empire, nets United upward of £2 million (\$3.2 million) a match, and the cluh's envied global appeal claws in merchandising and endorsements that make Manchester Uoited the market leader in

turning the round hall to profit. Why does United go on meeting a chap as down oo his luck as Berlusconi? First of all, neither party admits to meeting. They claim no knowledge of nighttime talks the London offices of the legal firm Slaughter and May, the in-volvement of Media Partners with its husiness relationships to Berlusconi, the Wall Street bank J.P. Morgan, and the

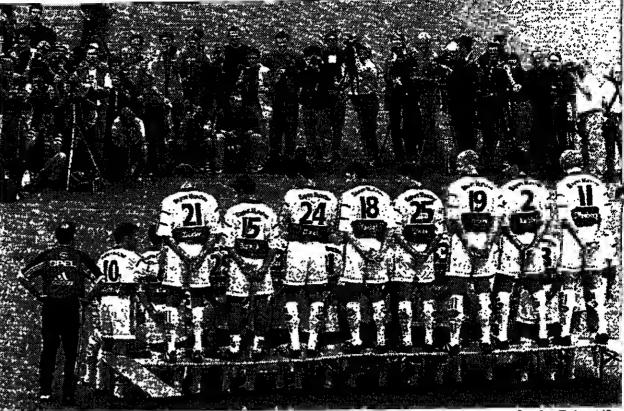
attendance of leading European clubs.

They say they know oothing about any \$2 hillion backing, any \$100 million first prize (compared to \$14 million for the victor in the Champions League).

They scoff at the names, curiously Italian. an names, apparently already installed in positions to run the league. Rodolfo Hecht Lucari, a Berlusconi man, is rumored to be chief executive-designate, with Andrea Locatelli as competitions director and Paolo Taveggia, who ooce traveled the United States assessing the sportiog scene, as a member of the board.

The names of television moguls who shape the world of sports are whispers in the corridors. The names of Spain's two leading clubs, Real Madrid and Barcelona, have been firmly penciled in as being against the new league; Juventus, Bayern Munich and Paris St. Germain appear amhiguous, hut Ajax Amsterdam, Panathinaikos of Atheos, Galatasaray of Istanbul and Benfica of Lisbon are keeo to help pioneer the SuperLeague.

This is not surprising. Ajax and Benfica have fine, pedigree pasts in the European Cup, hut their domestic leagues are uninteresting compared to vibrant, lucrative competitions that exist in Spain, Germany and England. The Dutch and Portuguese teams have more reason than most to fear missing the oew boat of a Europe elite, if it ever sails.



EVERYBODY SAY CHEESE - Players from the first-division soccer club Bayern Munich posing for photographers during the official team presentation on Tuesday. League play begins Aug. 15 in Germany.

What game, then, are Manchester United and Arsenal playing? Double bluff. They deep being at the table, they hluff. They deoy being at the table, they write letters of assurance to the Premier League in England swearing they will not join up without consulting their fellow English clubs. But they implicitly reinforce the message to UEFA that, when the Champions League contract is renewed in 2000, the hig clubs want a greater percentage of and a greater say in improving or enlarging the format in improving or enlarging the format.

The clubs are, in effect, squeezing

UEFA and using the SuperLeague ar-

"That is most probably the case," admits Gerd Aigner, general secretary of UEFA. 'They have never got enough money, even if at the same time they spend 50 million Swiss francs for one player. I think the clubs are being incited, but we will not allow football to be torn apart into different fragments."

So? So there will be compromise. UEFA, obliged to operate between the tensions of clubs, leagues and national associations, has been in a weakened position since the European Commission outlawed the suggestion that sport was a special case and not subject to

"We will talk to the clubs, to the leagues and the national associations, says Aigner. "No doubt we will be able to make our competitions more attractive, maybe more lucrative. All things are feasible except that we will not allow anyone permanent entry. Sport loses its credibility without two things - national

identity and qualification on merit." The collaborators of Berlusconi could always take up cycling.

Rob Hughes is the chief sports writer of The Times of London

# U.S. Soccer May Give Serb Another Chance

gument to do it.

Bora Milutinovic, the colorful Serh who has coached four countries to the secood round of the World Cup, including the United States in 1994, appears to be the front-runner to coach the American team again.

Alan Rothenberg, the outgoing president of the U.S. Soccer Federation and the man who fired Milutinovic after the 1994 World Cup, said there were four candidates to replace Steve Sampson, who resigned last month after the American team

finished last in the World Cup.

But Rothenberg seemed clearly to favor Milutinovic over Carlos Alberto Parreira of Brazil, Carlos Queiroz of Portugal (who became coach of the United Arab Emirates last week) and Bruce Arena of D.C. United, an American Major League Soccer team.

"The public expects results, and Bora is a master strategist and technician," Rothenberg said. "We oeed a coach to do the best with what we have. We need to get maximum results in qualifying for the World Cup in 2002, and Bora has a proven record of accomplishing a lot with less talent."

Arena, the only American candidate, has had some support from people around Rothenberg, hut he is apparently last on Rothenberg's list. Implying a preference for the cosand multilingual mopolitan

Milutinovic over Parreira and Queiroz, both of whom he has interviewed. Rothenberg said, "We need someone who knows the country and the language, someone who has been there." ■ Incentive for American Clubs

The world club championship planned by FIFA, the governing body of world soccer, adds incentive for the clubs competing in the North American club tournament in Washington next week.

The winner of the annual CON-CACAF Champions' Cnp - a 36year-old event consisting of the top teams from the United States, Central America and the Caribbean - will be considered for a berth in the proposed semiannual world club championship, Chuck Blazer, the general secretary of the regional federation, said Monday.

FIFA is expected to approve the world club competition next month, and one of the eight berths is almost sure to go to CONCACAF.

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# Spain Downs Lithuania in **Basketball**

The Associated Press

ATHENS — Spain beat Lithoania, 86-80, in overtime Tuesday on the last day of second-round play in the World Basketball Championship. Spain improved its record to 5-1 and ensured it will have a high seeding in Friday's quarterfinals. Lithuania fell to 4-2. Spain, the surprise team, has

achieved little since it took silver in the 1984 Olympics in Barcelona. Forward Alberto Herreros, the lead-

ing scorer in the tournament, had 27 points. Arturas Karnisovas, playing with a bandaged head after a collision with a Spanish player, scored 20 for Lithuania. Spain, which was on top for most of

the game, could have won in regulation but Herreros missed an ontside shot in the final seconds and Carlos Jimenez missed a tip-in at the gun. Russia — billed as the favorite with

Yugoslavia to win the title Sunday -beat Canada, 81-72, to improve its record to 5-1. Vassiliy Karassev scored 21 points, Sergei Babkov and Sergei Panov each scored 14 for Russia, Canada (1-5) got 14 points and 11 rebounds from Greg Newton.

Spain, Russia, Greece, Yngoslavia, the United States and Lithuania had all



Lithuania's Saulius Stombergas, left, battling Spain's Alberto Herreros.

made sure of places before the final

Italy beat Puerto Rico, 68-63, Tuesday, led by 15 points by Gregor Fncka to advance to the quarterfinals. Puerto Rico was eliminated.

Argentina improved its chances of taking the remaining place wheo it beat Brazil, 86-76. Marcelo Nicola scored 22 points for Argentina. That game was interrupted by a power problem. The

teams were tied, 24-24, when the lights

On Monday, Yugoslavia fell to Italy, 61-60, as the Italians avenged a loss last year in the final of the European championship to the Yngoslavs.

The Yngoslavs were undooe hy two former Yugoslav players - Bosnianborn Bodjan Tanjevic, the Italian coach, and Slovenian-born Fucka, who hit the

# Spanish Shun Women's Tour de France ONCE. Kelme and Vitalicio - dropped

out of the men's Tour de France to

protest alleged harassment by French

police who were investigating the use of

banned drugs.
The women's race starts Aug. 11 and

The Associated Press

MADRID -- Spanish riders have pulled out of the women's Tour de France to protest the doping investigations that marked the men's race.

"We take this measure because of the poor treatment received by Spanish cyclists and teams in the Tour de France. the Spanish Cycling Federation said.
"It's a test of solidarity for fear that the

lasts for 10 days.
On Monday, officials of the ONCE team said they were studying legal ac-

tion against Tour organizers.

same incidents will occur in other races and will only cootribute to damaging the image of cycling."

All four Spanish teams — Banesto.

"We can't just leave things like this," said the ONCE chairman, Jose Maria Arroyo. "We are studying taking action against the organizers, against

# Dispute on Drug-Test Remarks

The International Tennis Federation has told Primo Nebiolo, head of the international governing body of track and field, that he did not know what he was talking about when he spoke of drug testing in tennis.

"I must ask you to desist from mak-ing these uninformed and groundless ad-hoc statements about the federation's activities and the game of tennis generally, and I require the courtesy of an acknowledgment of this request." Brian Tohin of the tennis federation said in a letter published Tuesday.

In a statement released last week during drug scandals at the Tour de France, Nebinlo cited tennis, volleyball and cycling as sports that had refused to sign an Olympic accord for

harmonizing anti-drug programs.

Tohin said the federation carries out more than 1,000 tests a year in an anti-drug program approved by the International Olympic Committee. Last week, Ruben Acosta, president

of the international governing body of volleyball, accused Nehiolo of making 'totally false' comments about drug testing in volleyball and said Nebiolo should concentrate on fighting "systematic doping" in track and field.

Separately, the Greek national record-holder in the women's shot put, Eleni Tseotemeidou, tested positive for steroids and will miss the European Championships in Budapest, Greek newspapers reported.

those who have condemned us without evidence, against those who have as tacked cyclists."

"We will go to any court or international organization occessary to defend our rights, which have been trodden on," he added.

.The ONCE team also announced it was pulling out of three races in France later this year: the Tour of Limousin, the Paris-Tours race and the Tour de

"We are oot going to participate in these three events in France because of what happened on the Tour," said a team official.

"Our riders are simply not ready to race again so sooo afterward. They have been greatly affected psychologically and are demoralized.'

Nicolas Terrados, the ONCE team doctor, who was charged by a French judge Friday with inciting and facilitating the use of banned drugs, told reporters: "I've oever used anything against the health of my sportsmen. Task has always been the way in my ca-

"I would oot have spent so much time abroad investigating to end up using drugs," Terrados said.

What they found in my bag and on the bus is what one would expect to find in a doctor's bag.

Terrados, who had been ordered by the French judge not to have any contacts with ONCE, spoke at a separate press conference from Arroyo.



AMERICAN LEAGUE

Chicago 811 488 000—6 10 0

Tampa Bay 000 005 001—1 8 1

Baldwin, Foulke (9) and Kreuter, Arroja.
White (4), Yun Boldwin 7-4 L.—Arrajo 11-8.

HRs—Chicaga, Durham (13). Tampa Bay,
McGriff 111).

Bastos 005 109 000—1 7 0

Seattle 000 100 28x—3 9 0

Wasdin, C. Reyes (8) and Hatleberg:
Clouds, Timfin (9) and Marzano, W—Cloude McGriff 111).

Bastea 066 109 000—1 7 0
Seafile 000 169 282—3 9 0
Wasdin, C. Reyes (2) and Hatteberry.
Cloude, Threat (9) and Marzono, W—Cloude
6-7, L—Wasdin 5-4, Sv—Threat (7), HRS—
Bocton, O'Leary (20), Seafile, Manchan (1), ## B. M. Jones 5-4. Event (9) and Kenden.

## B. M. Jones 5-4. Event (9) and Kenden.

## B. M. Jones 5-4. Event (9).

## B. M. Jones 6-7. Williams (1).

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## B. M. Jones 6-7. L. — Leaving (1).

## B. W. D. M. Martinez (1).

## B.

6-9. HRs.—New York, Knoblauch 2 (12), O'Nell (16). Shawberry (18). Oddarnd, Staks (20).

MATIONAL LEAGUE
Sam Diego 90 900 901—1 4 2 Mouthred 230 000 125—6 9 8

Boethringer, Bruske (5), Wall (8) and G. Myers; Hermanson, Kline (9) and Widger. W—Hermonson 9-9. L—Boethringer 5-2. HR—Morthreal, V.Guerrero (26).
Sam Francisco 100 118 003—6 11 0 Philodelphia 90 900 100—1 8 1 Darwin, R. Rodriguez (6), Johnstone (7), Mesa (8), Nen (9) and Mayne; Loewer, Gomes (7), Bottalia (9) and Esthelia. W—Darwin 7-9. L—Loewer 5-4. HR—Philodelphia, Rolen (23).

Colorado 001 402 000—7 13 0

rik—Phisseiphia, Rolet (23).
Colorado 901 402 090—7 13 0
Pittsbergh 900 100 818—2 5 2
B.M.Jones, Leskonic (9) and J. Reed:
Lieber, Tabaka (6), Rincon (9) and Kendon.
W—B. M.Jones 5-4. L—Lieber 8-12.
HR—Phisburgh, Ma.Marline (5).

\$1. Louis 062 100 692—5 0 4
Millyroutine 997 027 005—6 12 0
D.Oliver, C. King (6), Frascatore (8) and Marrora: Woodard, M.Alyers (7), Phink (7), Wickman (7) and Mathemy, W.—Woodard 9-5. L.—D. Other G-1. Sv—Wickman (18). HRS—St. Louis, Gent 117. R.Landdord 119). Gestin (11). Mitaroukee, Burretz (26). Arizeea 201 626 616—4 10 1 Glosye 600 901 316—5 15 6 Telemaco. Embres (7). Chouland (7). Olson (8) and Stinnetz Wengert, Stevens (6). T. Adams (7), F. Haredia (7), Karchner (7) and Houston. W—Telemaco 4-5. L—Wengert 1-1. Sv—Clison (19). HRS—Arizona, T. Ballista (6). Chicson. Ma. Greco (12). 5. L-D. Other Q-1. Sv-Wickman (18).

(6). Chicago, Ma Grace (12). JAPANESE LEAGUES

TUESDAY RESULTS CENTRAL LEAGUE Yokoboma 2. Honshin 1 Chunichi S. Yokolf O Doiel & Nappor Horn S

SECOND LOUND United States 75, Spain 73 Russia 60, Greece 48 15TH PLACE Senegal 75, South Karea 72 15TH PLACE Nigeria 70, Japan 60

> SOCCER GERMAN LEAGUE COP

BASKETBALL WORLD CHAMPIONSHIP

TUESDAY, IR ATHEMS Russis 81, Canada 72 Spain 84, Littuania 80

TENNIS

ATP WORLD RANGE GS are Sampras, United States, 2,825 points, larcelo Rios, Chile, 3,719. 3. Petr Korda, Czech Republic, 3.195. 3. Per Korda, C. Pez Neputer, 2, 175.
4. Carlos Moye, Spoin, 2, 972.
5. Petrick Raffier, Avetralia, 2, 878.
6. Greg Rusedski, Britche, 2, 706.
7. Joros Blorkman, Sweden, 2, 563.
2. Yevpeny Katelnikov, Russia, 2, 442.
9. Richard Kraffosk, Netherlands, 2, 368.
10. Alex Cerestia, Section 3, 399.

10. Alex Correlia, Spoin, 2,302.
11. Andre Agassi, Unified States, 2,209.
12. Tion Hermann, British, 2,163,
13. Athert Costa, Spoin, 2,128.
14. Karal Kucera, Slovakia, 2,127. 14. Karal Kucera, Siovakia, 2,127.
15. Alberto Berraedegui, Spein, 1,900.
16. Goran Nentsevia, Creofia, 1,403.
17. Feix Marvilla, Spein, 1,776.
18. Thomas Enqvist, Sweden, 1,737.
19. Cedric Pioline, Franca, 1,712.
20. Michael Chang, United States, 1,663.
WAR TODE RAINISMOS.
1. Morrino Hingls, Switzerland, 2,719 points, 2. Lindsoy Davenport, United States, 4,631.
3. Jona Novetra, Czech Republic, 4,615.
4. Arantza Sanchez Morris, Sanchez, 3,244.

 J. John Foreigns, Libech Republic 4,615.
 A. Arunkta Sanchez Vicario, Spoin, 3,455.
 Verius Wilderns, United States, 3,098.
 Mortica Seles, United States, 2,838.
 T. Canchibo Martinez, Spoin, 2,457.
 A. Arunkta Costaez, South Africa, 2,137. Nathalie Tauziet, France, 2,133. Irina Spirica, Romania, 2,133.

11. Patty Schnyder, Switzerland, 2.107. 12. Dominique Van Roost, Belgiten, 1,5 13. Sandrine Testud, France. 1,776, 14. Annu Koumikovo, Russin, 1.492 15. Natosha Zvereva, Belarus, 1,662. 16. Mary Pierce, France, 1,653. 17. Al Sugiyama, Jopan, 1,567, 18. Anke Hubez, Germany, 1,53

TRANSITIONS

BASSEALL AMERICAN LEAGUE
ARAHEM—Signed Terry Collège, monoger,
to 1-year control extraction, through 1999.
Distract—Signed Rith Note Cornelo.
cardand—Released OF-DH Kevin
Mitchell, Resolled RHP Joy Willosick from.
Edmonton, PCL. Edmonton, PCL SEATTLE—Recoiled RHP Dovid Holwidge from Tocoma, PCL.
TEXAS— Put LHP Scott Balles on 15-day disabled list. Recasled RHP At Levine from Okishoma, PCL.

Mahama, PCL Taxouxo — Recalled C-INF Mark Dales-Indra and RHP Kelvim Escobar from NATIONAL LEAGUE RECORDED RHP BOTTY from Tucson, PCL, Activated 3B Main Wa-Same from 15-day disobled Set Optioned OF

CINCINNATI Recoiled LHP Definis Regis from Indianopolis, IL
FLORIDA—Signed OF Chip Autores.
MILWAUTEE—Optioned LHP Votatio De. Las Santos and LHP Rafael Reque to Louis-

MONTREAL-Recoiled RHP Josemy Posts MONTEPAL RECORDED RITH JONESHY TON HOTTER LITE.

N. J. METT-Optioned C Varion Wissin and OF Benny Agbayani to Norfolk it. Pet OF Builth Huskey on 15-day disasted Jist. Re-

colled C Todd Prutt from Norfolk. NATIONAL POOTRAH, LEAGUE MANNI—Signed WR Oronde Goderien. Re-resed CB Corey Harris. KY. JETS-Signed LB Brian Cox.

HOCKEY NATIONAL HOCKEY LEAGUE: COLORADO - Signed RW Scoth Parker and LW Nick Bookend to 3-year contracts. SignM RW Sheen Cleanurg, Class Buchanen, and D Ted Crowley to 1-year contracts. MONTREAL Re-Righed C Vincent Done

MONTREAL—RE-OUSSE TO 1-year contract. COLLEGE BUTLER—Announced One Franks, but good will broader to Punder Column FACIFIC—Named Monty Owens man? A stricted comings basketted coach.

### **SPORTS**

# History's Greats? Laggards, All McGwire Poised for Legitimate Assault on Home Run Recor Wees By Thomas Boswell And they're going to be a couple of people. And they're going to fly past it. The Seattle Mariners center field homers. Now, he is on a pace fit homers have been no easier to

# McGwire Poised for Legitimate Assault on Home Run Record

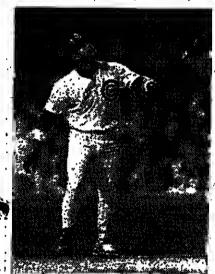
rather, the season of Mark McGwire. And, before it is over, perhaps Ken Griffey Jr., Sammy Sosa or some as yet unidentified hero as well

There is a huge difference between those two propositions. But it is a distinction that is being missed throughout the sport. This is not a summer of goofy gopher balls and cheap dingers. It is, rather, a chance for us to watch a totally legitimate assault on baseball's most glamorous home run record by a trio of astonishing players.

Big Mac, Junior and Sammy are attempting to go where Mickey Mantle, Willie Mays, Ted Williams, Jimmie Foxx, Hank Aaron and 70 years' worth of great sluggers have tried to venture before them; beyond 60 homers. And they are trying to do it under conditions that are virtually identical — and no easier — than those faced by Hammerin'. Hank, the Mick, the Splendid Splinter, Mr. Double X and the Say Hey Kid.

Wherever you go in baseball this summer, the clubhouse TV is always turned on after the game. As players munch cold cuts, take showers, give interviews and get ready to go home, they cut their eves toward the screen periodically. Like everybody else, they are on full-scale alert. Who has gone deep? Has McGwire crunched a ball in the upper deck? Has Sosa smashed one?

'It's not just one person who's going to break Roger Maris's home run record this season, 'Mike Mussina, the Baltimore Orioles pitcher, said recently.



Sammy Sosa: Chasing McGwire.

That is close to the common wisdom WASHINGTON — This is not the in the game. The Maris record is as good season of the home run in baseball. It is, as dead. It is a fait accompli, a forgone conclusion - a kind of Let's Revitalize Baseball conspiracy that is simply being played out. Supposedly, the deck is so stacked in favor of McGwire, Griffey and Sosa that it will be a shock if 61 does uot fall. What can keep Mac from 70? Yes, fly past that record.

### VANTAGE POINT

In fact, this entire line of thinking prevalent from the dugont to the cover of Time — is untrue. We have fallen, myself included, for the unexamined assumption that this era is a unique home run hitter's paradise. After the Maris record was broken, would it not almost be necessary to point out that the new mark was just a rad - well tainted?

Home runs are easier to hit, and runs are easier to score, than they have ever been, right? The ball is juiced. The new bellparks are small. The strike zone is tiny. Expansion has diluted pitching. Creatine has helped slnggers increase muscle mass, supposedly without the dangers of steroids. And everybody

wants the record broken. This time, let's let the facts get in the way of a good story. Because, if we do, suddenly we have an even better tale. If McGwire breaks Maris's record, he

will have done it in a league, and in a time, when both home mas and runs were being produced at exactly the same rates that they were in the National League from 1953 through 1961. In each of those nine seasons, the

National League averaged between 1.81 and 2.05 home runs per game. That is high. But not abnormal. In the past three years, the NL homer average has been 1.90, 1.96, 1.91 and, this season, 1.90. (Runs in the 1950s in the NL were also right where they are now - fluctuating around 9.25 per game.)
Yes, Willie Mays, Hank Aaron, Frank

Robinson, Duke Snider, Eddie Mathews, Ernie Banks and Ted Kluszewski had their big power years in an era when statistics were identical to the way they have been in the National League for the last four years. Yet, in that entire nineseason period, only one player hit 50 homers: Mays with 51 in 55

So, do not compare McGwire as a slugger with those guys. In the last timee. years, as he has hit 52, 58 and, so far, 45 homers, McGwire has already proved that they are just not in his league. Hard as it may be to accept, Griffey is

in the same boat as McGwire. Last year

'It's going to be a couple of people.

And they're going to fly past it.'

the Seattle Mariners center fielder hit 56 homers. Now, he is on a pace for 60. Yet homers. Now, he is on a pace for 60. Yet homers have been no easier to hit in the AL than they were in the heyday of Maris, Mantle and Harmon Killebrew from 1961 through 1964.

Back then, the American League averaged 1.84 to 1.92 homers a game. That, however, was before the designated hitter. If there had been a designated hitter, homers would have increased by about one-ninth. Guess where we are these days? That's right -2.19 homers a game last year and 2.20 this season. Just like the early '60s, after accounting for the designated hitter.

But have there been other comparable times? And even better times for homers? Yes.

The two easiest seasons ever for homers were '87 and '96 in the AL (2,32 and 2.42). This summer is 10 percent below that level.

Every great slugger of the last 50 ars has had at least one period when he played in the right time and place to have shot at a new homer mark. Only Maris did it. Now, Mac's on pace for 66. While we're at it, let's get some of our

legendary old-timers down off their pedestals. For example, the impression is afoot that scoring has been astronomical since the strike of '94. While offensive levels have been high and healthy, they have not been inconsist-ent. Ruth's American League from 1920 to 1930 produced slightly more runs per game than the AL has in the last

Here is my favorite Perspective On The Babe star. In 1921, Ruth had the second-highest slugging percentage in history (.846, after setting the record of .847 in 1920). The Babe hit .378 that season. How hard was it to hit in 1921? The Indians had five guys on their bench named Burns, Stephenson, Wood, Evans and Nunamaker. In 928 at-bats, these scrubs hit a hair over ,350. Obviously, it wasn't too hard to put the bat on the new lively ball in 1921.

Major league scoring from 1921 through 1941 was hasically very close to where it is in the late '90s - about 9.5 runs a game. Of all the offense-crazed periods, the '30s was the nuttiest.

Just think: Aaron never had more than 47 homers. Killebrew and Frank

Robinson never got beyond 49. Yet, at the age of 28, Griffey already has seasons of 45, 49, 56 and, in the strike-shortened year, was on pace for 58 homers. This year, 60? Compare him to Mays? Heck, compare him to anybody. What our turn-of-the-century heroes are trying to accomplish is every bit as

authentic as it is unique. Let's not cheat

ourselves by giving them short shrift.

Expos pitcher Dustin Hermanson beating the Padres' Carlos Hernandez to first during Montreal's victory.

# Nomo and Piazza Shine, but in Vain

The Associated Press

Hideo Nomo and Mike Piazza. former Los Angeles Dodgers, had big games against their former team but the New York Mets could not hold on to the

Raul Mondesi and Eric Karros both hit two-run homers in the seventh inning as Los Angeles came from behind to beat the visiting Mets, 8-5, Monday. Piazza hit a run-scoring single in the

first and a two-run homer in the fifth. Los Angeles traded him to Florida in May and the Marlins sent him to the Mets a week later. After Nomo, 3-1 for the Mets fol-

lowing a 2-7 start for Los Angeles, left with a 5-2 lead in the seventh, Mondesi hit his second homer of the night. Dave Mlicki (6-5), traded by the Mets

in the Nomo deal, improved to 5-1 for Los Angeles.

Martins 11, Astros 3 Struggling rookie Andy Larkin pitched 624 strong innings and Gregg Zann matched a career high

with four runs batted in to help Florida beat Houston in Miami.

Florida's Craig Counsell was hit in the jaw by a pitch from C.J. Nitkowski in the eighth inning. Counsell remained

### NL ROUNDUP

on his feet, but immediately left the game for treatment. Nitkowski, who also hit the two previous hatters to load the bases, was

taken out of the game after he hit Coun-Larkin (3-6) allowed five hits and

three runs, lowering his earned run average from 7.97 to 7.58. Rockies 7, Pirates 2 Bobby Jones

pitched eight strong innings and hit a pair of RBI singles as Colorado won at Pittsburgh. Jeff Reed went 4-for-4 and drove in two runs and newly acquired Darryl Hamilton also had two RBIs.

Browers 6, Cardinals 5 Steve Wood-ard won his career-high sixth straight

decision and Milwaukee kept Mark McGwire from homering at County Sta-Since he hit his 45th home run against

Milwaukee at Busch Stadium last Tuesday, McGwire has gone 22 at-bats without homering. He went 1-for-4 with a double, a line drive off the left-field wall that fell about a foot short of the vellow home run rail.

Giants 6, Phillies 1 Danny Darwin won for the first time in nine starts since June 8, and Barry Bonds drove in two runs as San Francisco won at Philadelphia to complete a four-game sweep.

Expos 6, Padres 1 Dustin Hermanson took a shutout into the ninth and Vladimir Guerrero hit a two-run homer as

Montreal beat visiting San Diego.

Diamondbacks 6, Cubs 5 Tony
Batista, who came into the game after Matt Williams was hit by a pitch on the right wrist, connected for the first pinchhit home run in team history as Arizona

# High School Baseball May Bench High-Tech Bats

KANSAS CITY, Missouri — Highperformance bat technology could soon be benched at high school baseball fields across the United States.

ers, the Baseball Rules Committee of the National Federation of State High School Associations said Monday it would set guidelines for maximum bat performance. The standards would be based on wood bats.

Among the dozens of high-cost, high-tech aluminum bats on the market are Worth Inc.'s new \$280 Copperhead ACX, which uses electronic

dampers like shock absorbers to minimize vibrations, allowing the batter to hit the ball harder and extending the

sweet spot down into the handle.

The difference is the speed the ball In an effort to preserve the traditions leaves the bat," said Justin Givens of the sport and the safety of the playsemiprofessional organization.

"You're seeing more and more pitchers getting just clocked ont there." Last summer in Glendale, California, Julius Riofrir, 17, was warming up when he was struck in the head by a ball hit with an aluminum bat. The ball

hit him in the right temple, fracturing his skull and killing him. Riofrir's death and other injuries,

particularly to pitchers, have convinced several youth and semipro leagues to switch back to wood hats. The Jayhawk League and the Cape Cod League, summer leagues for college players, use wood bats exclusively, and the National Baseball Congress is considering making wood bats mandatory in championship games

starting in 2000, Givens said.

Brad Rumhle, the assistant director of the National Federation of State High School Associations, said the association's primary goals in limiting bat performance were returning balance between defense and offense and helping minimize the risk of injury.

# For Oquist, Unrelieved Yankee Torture

OAKLAND, California - When Mike Oquist came to the dugout after each inning, the Oakland Athletics manager, Art Howe, offered little more than condolences.

Trying to preserve his bullpen for Tuesday's doubleheader, Howe sacrificed Oquist and sent him back out for more torture as the New York Yankees overwhelmed the A's 14-1 Monday.

Oquist (6-9) became the first pitche since 1977 to give up 14 earned runs, setting an A's franchise record. He gave up 16 hits in five innings and lost his fourth straight start.

"Okie took one for us," Howe said. "It's a terrible feeling to have to do that with anyone on your team. Life's cruel.

I was bleeding with the kid." 'I know he didn't want to do it," said Oquist, referring to Howe. "I didn't want to do it. But yon've got to keep making

pitches and going at them. You make a mistake and they don't miss them. I've never been hit like that before." Chuck Knohlauch homered twice and drove in a career-high five runs for

the Yankees. Paul O'Neill and Darryi Strawberry also homered. Every starter in the New York lineup

had at least one hit and scored a run hy

### AL ROUNDUP

the fourth inning. O'Neill had three hits,

including his 16th homer. Bill Travers was the last major leaguer to allow 14 earned runs, according to the Elias Sports Bureau. He did it on Aug. 14, 1977, in 7 1/2 innings of Milwaukee's loss to Cleveland.

After the game, the A's released outfielder-designated hitter Kevin Mitchell and called up Jay Witasick to pitch in the first game of Tuesday's doubleheader.

NO GUM.

Mitchell, the 1989 National League Most Valuable Player for the San Fran-cisco Giants, hit .228 with two homers for the A's.

Angels 11, Indians 4 Tim Salmon hit a three-run homer and Randy Velarde got three hits as Anaheim beat visiting Cleveland. Velarde's hits were his first in the majors since 1996. He played in only one game last year because of elbow problems. He was recalled from

the minors earlier in the day.

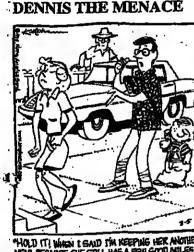
Marinors 3, Red Soz 1 In Seattle, rookie Shane Monahan hit his first major league homer, a two-run shot that broke a seventh-inning tie against Boston.

White Sox 6, Devil Rays 1 James Baldwin beat Tampa Bay for the third time this season, outpitching Rolando Arrojo, as Chicago won in Saint Petersburg. Baldwin shut out Tampa Bay until

Fred McGriff hit his 350th career home

BOY, THESE THINGS COME IN HANDY ALL THE TIME.

run with one out in the ninth inning.



"HOLD IT! When I SAID I'M KEPING HER ANOTHER YER DECAUSE SHE STILL HAS A FEW GOOD NILES LEFT, I MEANT THE CAR!"



SUSSIV ABATE POCKET TYRAM: Now the printer got the storie role — YE WAS TYPE CAP

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Fax: +44 1 71 420 0338 or your nearest IHT office or representative.

# PEANUTS



T'VE MADE A FEW MISTAKES IN MY LIFE

BEETLE BAILEY

SIGN HERE HERE AND

BLONDIE

HERE

WHAT AM I SIGNING?





HA HA!

I DON'T KNOW.













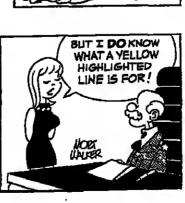
















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DAYS, DADP

WALL

CALVIN AND HOBBES



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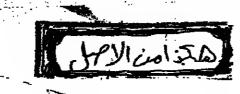
MY TRANSMOGRIFIER GUN LY











### **OBSERVER**

# Devil on My Shoulder

By Russell Baker

NEW YORK — We truly live in wonderful times. but now and then when Old Devil Skeptic jumps on my back, he starts me asking myself questions. Here are sev-

with genes have just cloned fool regret having missed out some mice. It was hig news, on such reeking slaughter? hut can somebody tell me: Why does the world need more mice?

Aren't there already enough mice for everybody? Are so many people com-plaining of mice shortages that we have to clone them?

Can't we curh the childish exuberance of the world's cloners? Don't misread me. Cloning is a wonderful, won-derful thing, but where will we end up when the cloners clone what they're absolutely dying to clone just to show they can do it; to wit, people?

Why make rush-hour traffic worse just because you've got the know-how? That's just showing off, isn't it? Instead of glutting the landscape with more mice and people, why don't biologists clone creatures facing extinction?

Frogs and toads, for instance, are dying en masse of a mysterious worldwide affliction. You cloners ought to be making frogs and toads, not mice. Shouldn't you?

2. I am watching the already famous opening of "Saving Private Ryan" with its nasty pictures of what D-Day on Omaha Beach was probably generation has a rendezvous like for the men who were there, and I am being very glad I was not among them.

Long ago I saw Robert Mitchum, John Wayne and Henry Fonda take that very same beach in "The Longest

Day," and left the theater full of envy. How great if I could have been there that day with those manly stars. So calm, so indestructible, such great jaw

As I watch, Spielberg's horrific D-Day is making hash of the secret hero within me. eral I asked just this morning. Why would anyone but an ut-1. Scientists who work ter, complete, absolute, asinine

Why are women of our wonderful times demanding assignment to combat dury Can they truly believe that submitting to this kind of hutchery is essential to free woman of her ancient oppressors? How does it pro-mote sisterhood to step off a landing craft into a wall of

machine-gun fire?
Has the remote-control weaponry of our wonderful times deluded young people most fatally? Did anybody who watched the Gulf War on television see anybody hleed-

Is it possible that in comhat nobody has to be hlown into widely separate parts anymore? Is it true, as Pentagon censorship suggested in the Gulf War, that combat is a telegenically fetching series of electronic encounters between bloodless machines? No more disemboweled hod-

ies on squalid battlefields? Is somebody kidding us? Isn't somebody always? 3. Remember what Pres-

ident Roosevelt told the generation that fought the "Private Ryan" war? "This with destiny," he said.

What does our present generation have a rendezvous with? Linda Tripp? Monica Lewinsky? The Powerball lottery?

New York Times Service

# When the Character Calls, Minnie Driver Listens

By Laura Winters

TEW YORK — Minnie Driver is equally at home telling an off-color joke or spelling Aeschylus correctly on a crossword puzzle, as she did recently in a rare moment of repose at a midtown Manhattan hotel. The British actress, 27, who has made a career for herself in the United States in hit movies like "Big Night," "Grosse Pointe Blank" and "Good Will Hunting," displays a dizzying array of attributes: She's intellectual and earthy, statuesque and spir-

Perched on a chair with her legs tucked under her, she looks very much the rising star, with high-heeled lizard-print sandals on her feet and with her unruly ringlets pinned up in a smooth twist. But her frank personality penetrates any pose, whether it be through her irrepressible laugh, which invites complicity, or her sudden seriousness when she talks about the professional and personal turnult of the last few months.

Driver's new film, "The Governess," has opened in the United States, but she is still best known these days as Skylar, the Harvard undergraduate from Britain who falls in love with the unlikely math genius played by Matt Damon in "Good Will Hunting." That performance gained her a nomination for the best-supporting-actress Oscar this year.

Since ber Academy Award nomination, Driver's profile has grown beyond that of simply a supporting actress partly because of the roles coming her way, partly because her off-screen relationship with Damon, and its hreakup,

made her a popular subject among gossip columnists.

"Minnie has the potential to be both a character actress and a leading lady," said Barry Levinson, who directed her in the 1996 film "Sleepers." "She is very attractive, but she is also very chameleonlike."

Driver certainly has a knack for choosing roles in films

Driver certainly has a knack for choosing roles in films that will be successful. How does she pick them?
"I know my emotional repertory well," she replied in her gravelly voice, "and when I read something that has a resonance in that part of me, I listen. I've never felt that I had to take a role in one of those mediocre but hugely hudgeted romantic comedies because I want to wear beautiful dresses and have people think I'm pretty and that I get the guy. I

really believe in the characters I play." "The Governess" is a departure for Driver in that it is a period drama, a British film (her first in several years) and, most important, her largest role since 1995, when she made her feature-film debut in "Circle of Friends.

In the new movie, she plays Rosina Da Silva, a young Jewish woman in 1840 in London whose husinessman father is suddenly murdered.

Needing to find a way to support her mother and sister, Rosina hits on the idea of becoming a governess — though to find work she must hide the fact that she is Jewish. Hired by a wealthy family in Scotland, she falls into a passionate affair with the man of the house, Charles Cavendish (Tom

Wilkinson, who is a pioneering photographer.

Driver was attracted to the movie, which was filmed last



Minnie Driver: She can spell Aeschylus, too.

summer in England and Scotland, because she felt it avoided the clichés of British costume drama. "I wanted to do a period drama, but I didn't want it to be chocolate-boxy," she said. "And sure enough, along came this twisted tale of spiritual suhterfuge and hlind eroticism."

Preparing for "The Governess," Driver immersed herself in Judaism, attending synagogue and listening to Sephardic music, and became more familiar with photography, which becomes both Posina's career and her emotional

which becomes both Rosina's career and her emotional lifeline. Beyond the specifics of the character's coping with the constraints of 19th-century British society. Driver believes there's a timelessness to Rosina's inner conflicts.

"I'm fascinated by how much we, as women, have to snhingate and hide ourselves in order to get on in the world," she said.

Driver, who is in every scene of the film, shows a sort of kaleidoscopic subtlety in expressing Rosina's tangled emotions. This doesn't surprise the director, Sandra Goldbacher, whose background is in documentary and short films and who is making her feature-film debut with "The Gov-

"Minnie is able to be vulnerable at the same time as being strong," said Goldbacher. "It's a very demanding role because it's almost like she plays five separate people. Rosina has assumed a different identity, but within that she behaves differently with each of the household mem-

Driver's versatility as an actress has made her uncategorizable in a broader sense. Although she is part of a new wave of British acting talent, which includes Rufus Sewell, Kate Bockinsale and Rachel Weisz, Driver has np to this point chosen to make her career mainly in the United States, where she has found the most opportunities. "I think I'm viewed as being a hit of a traitor in Britain," she said.

Many people mistakenly think of her as American, be-

cause of her ability to master almost any accent.

She is frank about the dearth of worthwhile leading roles for young female stars in Hollywood. "It's wonderful, with "The Governess," that it hasn't been about a studin saying, 'O.K., honey, it's your turn now,' "she said. "To strike out and go: 'You know what, I can do this. I feel strong enough

and well-versed enough to take this woman on."

Driver has recently bought a house in Hollywood and formed a production company, appropriately named Two Drivers, with her sister, Kate. "The British tahloid press have Hollywood painted as a place where they hand you some silicone implants as you go through passport control," she said. "But my life there is so much more low-key than

Still, she doesn't intend in be bound or defined by life in the United States. "I've always been pretty nomadic," she

Driver is back in Britain making "An Ideal Husband," a film adaptation of the Oscar Wilde play which is being directed by Oliver Parker and also stars Julianne Moore, Rupert Everett and Cate Blanchett. "I get to be frothy and vicious and soufflé-like," Driver said with a smile.

Driver will continue to be guided by her insistence that

she feel something profound for the characters she plays.

"The other day," she said, "I turned something down, and they were all screaming at me and saying, "It's a huge amount of money, this really amazing director, incredible actors, what are you doing? "she recalled. "And I was saying: That isn't the point. I honestly don't think I will be very good in it. Anyone could do this, and that isn't a good reason to do something."

She paused for a moment. "You should feel secretly, Only I can do this."

Laura Winters, who writes frequently about the cultural scene in the United States and abroad, wrote this for The



Harrelson and his wife, Laura Louie, leaving the courthouse in Denver.

WEARING a yellow suit. Queen Elizabeth the Queen Mother celebrated her 98th birthday Tuesday hy greeting well-wishers who had camped out to join the party. As the Band of Welsh Guards marched past, playing a specially composed Royal Birthday March and then "Happy Birthday," the Queen Mother smiled, waved and ac-knowledged the 45 handsmen as she stood at the gateway of Clarence House, to present bouquets to Britain's longestlived royal, who leaned on a cane as she walked to the gate.

The actor Woody Harrelson and his two hrothers have attended a Denver hearing in which their father, Charles Harrelson, is trying to win a new trial for the murder-for-hire of a judge in Texas in 1979. After the hearing, Woody Harrelson acknowledged he was paying his father's legal bills, but he declined to discuss the case in detail. "They have just gotten started," he

said, "hut I'm here to support Dad."

Caught in the Act, one of Europe's most successful groups, will make a farewell tour this month before disband-

ing after six years together, a spokes-woman said. The two Dutch members, Eloy de Jong and Batsiann Ragas, and

Benjamin Boyce and Lee Baxter of Britain will hit the road Saturday and play their final show in Magdeburg, Eastern Germany, on Ang. 16. The group's hits include "You Know," "Do It for Love," and "Baby Come Back."

# Statue of Byron in Athens Gets a Scrubbing

**PEOPLE** 

THENS - Lord Byron is getting a long overdue scrubbing. Restorers are A at work washing away the hlemishes of age and pollution from the statue of the English poet and 13 other monuments on the walkways outside Zappeion Hall, the 19th-century mansion-turned-public landmark in central Athens.

"They are cleaned by hand, It is a special method. It needs concentration," Katerina Daskalaki, director of the preservation team of Athens's national monuments, said.

This is the first cleaning of the nearly 140-year-old marble statue of Byron. who is depicted dying in the arms of a goddess representing Greece. Scaffolding and cloth coverings now surround the 23-foot (7-meter) statue.

Byron died in 1824 at Missolonghi, where he had taken command of a Greek brigade during the fight for independence from Ottoman rule. Other statues around the Zappeion include those representing the founders of the modern Greek state and ancient athletes. The Zappeinn served as the residence for competitors in the first modern Olympiad in 1896.

Johnnie L. Cochran Jr.'s \$10 million libel lawsnit against a New York Post columnist was dismissed by a federal judge who said the writer had a right to express her opinion. Judge Kim Wardlaw ruled that Andrea Peyser's column — in which she wrote that Co-chran "will say or do just about any-thing to win, typically at the expense of the truth" — was protected by the First Amendment: Cochran was one of the team of lawyers who successfully defended O.J. Simpson.

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Prince Ernst August of Hannover has been fined 90,000 Deutsche marks (\$51,000) for beating a photographer who was trying to snap pictures of him with Princess Caroline of Monaco, prosecutors said.

A portrait of Alfred Hitchcock, whose profile became as famous as his skill directing such films as "Psycho"! and "The Birds," is featured on a 32cent U.S. postage stamp now on sale.



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